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COMMITTEE MEETING  
STATE OF CALIFORNIA  
INTEGRATED WASTE MANAGEMENT BOARD  
SUSTAINABILITY AND MARKET DEVELOPMENT COMMITTEE

JOE SERNA, JR., CALEPA BUILDING  
1001 I STREET  
2ND FLOOR  
COASTAL HEARING ROOM  
SACRAMENTO, CALIFORNIA

TUESDAY, SEPTEMBER 13, 2005  
10:00 A.M.

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CERTIFIED SHORTHAND REPORTER  
LICENSE NUMBER 12277

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Mr. Carl Washington

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Mr. Tim Hall, Staff

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Ms. Lorraine Van Kekerix, Branch Manager

Ms. Melissa Vargas, Staff

Ms. Shirley Willd-Wagner, Branch Manager

Ms. Tabettha Willmon, Staff

ALSO PRESENT

Ms. Katherine Brandenburg, Institute of Scrap Recycling  
Industries

Mr. Burnet Brown, Making Ideas Happen

Ms. Linda Ceballos, City of San Bernardino

Mr. George Eowan, CRRC

Mr. Tom Hogyue, ECS Recyclers

APPEARANCES CONTINUED

ALSO PRESENT

Mr. Dennis Holloway, City of Loma Linda

Mr. R. Scott Johnson, Merced County Solid Waste

Mr. Joe Kalpakoff, Mid Valley Disposal

Ms. Sheri Leigh, City of Buellton

Mr. Anthony Lopez, City of McFarland

Mr. Mark Murray, Californians Against Waste

Mr. Mike Pisani, City of Newport Beach

Mr. Ron Proto, E-Recycling

Mr. Renee Salas, Deputy Public Works Director, City of Santa Paula

Mr. Rick Snyder, U.S. Rubber

Mr. Bill Spriggs, Merced County Association of Governments

Ms. Kim Summers, City of Hesperia

Mr. Richard Tsai, Senior Utilities Resource Specialist, Public Works, City of Davis

Mr. Eugene Tseng, City of Loma Linda

Mr. Art Victor, Apple Computers

Mr. John Wankum, Public Works Director, City of Delano

Mr. Chuck White, Waste Management

Mr. Wayne Williams, Planning Coordinator, County of San Diego

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1 PROCEEDINGS

2 CHAIRPERSON MARIN: Good morning, and welcome to  
3 the Sustainability and Markets Development Committee of  
4 the Integrated Waste Management Board. We're having a  
5 great meeting today. We have a lot of items.

6 But before we do that, why don't we take the  
7 roll, Jeannine?

8 EXECUTIVE ASSISTANT BAKULICH: Peace?

9 COMMITTEE MEMBER PEACE: Here.

10 EXECUTIVE ASSISTANT BAKULICH: Washington?

11 COMMITTEE MEMBER WASHINGTON: Here.

12 EXECUTIVE ASSISTANT BAKULICH: Marin?

13 CHAIRPERSON MARIN: And I'm here.

14 Any ex partes, Ms. Peace?

15 COMMITTEE MEMBER PEACE: I'm up to date.

16 CHAIRPERSON MARIN: Mr. Washington?

17 COMMITTEE MEMBER WASHINGTON: I'm up to date.

18 CHAIRPERSON MARIN: Okay. So am I.

19 Let's see. Well, we'll just move right in.

20 You're going to go first, Pat.

21 DEPUTY DIRECTOR SCHIAVO: Sure. Pat Schiavo,  
22 Diversion, Planning, and Local Assistance Division.

23 In the interest of time, I'll just mention one  
24 thing we had going on this month, and that was the  
25 Alternative Workshops, one that was conducted here in

1 Sacramento, and then the other was in Long Beach the next  
2 day. They both went very well. We had an opportunity to  
3 express what the concept looked like and field questions  
4 and have open discussion.

5 So we're compiling -- we have September 9th as a  
6 final date for people to provide us with written comments.  
7 And we'll be compiling that and then putting together a  
8 draft plan and then get some more comments and bring that  
9 before the Board for the Committee. And that concludes my  
10 presentation.

11 CHAIRPERSON MARIN: Okay. Thank you, Pat.

12 We're going to take one item out of order. We  
13 understand that we have a person that needs to get back to  
14 his place of origin. We are going to hear Item 21 first,  
15 and then we'll continue with the order of the agenda  
16 starting with Item Number 13.

17 Item 35 will be heard at 1:30. If anybody's here  
18 for that, you can go and have lunch and then come back at  
19 1:30.

20 And Item 38 is Committee only. We're just going  
21 to hear this item here. We're not going to hear it at the  
22 Board, as well as Item 34 and 40.

23 So we're going to have a very full Committee  
24 meeting. For those of you that have never come before the  
25 Board, it's very simple. You just fill out a speaker slip

1 if you want to address the Committee. And the speaker  
2 slips are in the back of the room. Give them to our  
3 wonderful Committee Secretary, and she will give them to  
4 me.

5 Okay. Mr. Schiavo, you want to present Item 21.

6 DEPUTY DIRECTOR SCHIAVO: Item 21 is  
7 Consideration of the Amended Countywide Siting Element  
8 Summary Plan for San Diego County. And Zane Poulson will  
9 present that item.

10 MR. POULSON: Good morning, Madam Chair and  
11 Committee members. In San Diego County's five-year review  
12 report, which was approved by the Board at the March 2003  
13 Board meeting, the County identified a need to update the  
14 County's Siting Element and Summary Plan.

15 The County has completed the updates to the  
16 County Siting Element and Summary Plan, and has submitted  
17 the revised plans along with the documentation showing the  
18 County has adequately complied with all the requirements  
19 for amending their Siting Element and Summary Plan.

20 Therefore, staff recommends the Board choose Option 1 in  
21 the agenda item and approve the County's amended Siting  
22 Element and Summary Plan.

23 Wayne Williams and Willa Deberal are present to  
24 represent San Diego County.

25 This concludes my presentation. Are there any

1 questions?

2 CHAIRPERSON MARIN: Okay. Any questions?

3 Ms. Peace.

4 COMMITTEE MEMBER PEACE: I have a few questions.

5 I was just wondering why it is that the City  
6 feels they need to do this now. Is it something that's  
7 required by us, or why do they need to do this now? I'm  
8 just wondering because removing like the nine other  
9 tentatively reserved disposal sites, why they want to do  
10 that at this time when Gregory Canyon doesn't have all of  
11 its permits. And what happened in court on Friday, you  
12 know, can put some question into things. I'm just  
13 wondering why they want to, right now, remove all the  
14 other tentative disposal sites.

15 DEPUTY DIRECTOR SCHIAVO: The County  
16 representative can go ahead and respond to that.

17 CHAIRPERSON MARIN: Okay. Who's the County's  
18 representative? Welcome. Thank you very much for being  
19 here. Would you be so kind to state your name for the  
20 record.

21 MR. WILLIAMS: Yes. My name is Wayne Williams.  
22 I'm the Planning Coordinator for the County of San Diego.

23 About two-and-a-half years ago, the Board of  
24 Supervisors decided it was time in our five-year plan to  
25 address the Siting Element. We're out for a five-year

1 review, and many things happened during that five-year  
2 interval. One was that the landfill was privatized, which  
3 was a major consideration for our Siting Element to  
4 consider that. Gregory Canyon had been approved earlier  
5 by mandate of the voters, and we had to consider that.

6           And during the five-year interval, the  
7 regulations say that if a candidate site -- not a  
8 proposed, but a tentative site for landfills were  
9 suggested in an earlier Siting Element but no action  
10 occurred, then they are to be automatically dropped. Now,  
11 only one of those sites had a major use permit, and that  
12 was at Campbell next to the border. And that major use  
13 permit had lapsed. So no action was done on any of those  
14 sites. And, therefore, we filed the regulations and  
15 dropped them from consideration.

16           During that time also Sycamore Canyon Allied had  
17 proposed an expansion of their -- from one of the canyons,  
18 and so we considered that as a tentative. We did not have  
19 enough information from the City of San Diego, nor Allied,  
20 about the parameters of the landfill at the time to push  
21 it up into the proposed classification. So we left that  
22 as tentative.

23           COMMITTEE MEMBER PEACE: I'm sorry. I don't  
24 understand what you said about Sycamore. Will this affect  
25 what's going on with the expansion that's proposed at

1 Sycamore?

2 MR. WILLIAMS: Okay. Allied wants to expand, and  
3 they had started the environmental impact process with the  
4 City of San Diego, because that's in the City of  
5 San Diego. And they wanted it to be a proposed, but we  
6 looked it at, and it wasn't in complete conformance with  
7 the City of San Diego's general plan at the time. And it  
8 had to be -- the proposed landfill has to be in  
9 conformance with the general plan. It was not, so we  
10 worked out arrangements with the City agreeing it should  
11 be tentative at this time.

12 CHAIRPERSON MARIN: Let me ask our attorney.  
13 This is a local decision, their Siting Element, their  
14 plans. The County has already approved this particular  
15 scheme, if you will -- that's not the right word -- their  
16 plan, is not that the case, it's a local issue?

17 STAFF COUNSEL BLOCK: Right. The statute  
18 provides that the decisions as to what facilities to use  
19 or not use or to plan on is a local decision. What the  
20 Board looks at is whether that plan adds up to at least 15  
21 years of capacity. So the decision as to whether to add  
22 or subtract facilities is theirs to make. And then they  
23 review that every five years so they can keep it updated.

24 COMMITTEE MEMBER PEACE: Would the County have 15  
25 years of capacity without Gregory Canyon?

1           MR. WILLIAMS: Yes and no. There's plenty of  
2 space. There's plenty of canyon space. The inhibition  
3 towards reaching 15 years becomes a function of the daily  
4 permitted tonnage at all the landfills.

5           Now, what's happened is that Allied has applied  
6 for an expansion of their Sycamore Landfill up to 6,800  
7 tons per day. That will take care of any slack that might  
8 be happening.

9           Meanwhile, as a part of our plan, we have other  
10 alternatives as well. One is recycling at a greater  
11 diversion level. And another one is transportation of  
12 materials out of county. Allied, I hear, has bought two  
13 new landfills in Arizona, and they're looking at  
14 transporting any excess beyond their permitted daily  
15 tonnage out of state. That and other techniques, such as  
16 developing perhaps the Campo Landfill on the Indian  
17 reservation, would take care of that. We're just meeting  
18 the 15 years, but it is there. So we could without  
19 Gregory Canyon.

20           COMMITTEE MEMBER PEACE: From what I understand,  
21 you're saying these regulations require them then to drop  
22 all the other nine tentative sites because nothing's been  
23 done with them, so our regulations require that?

24           MR. WILLIAMS: Yes. That's our understanding.

25           STAFF COUNSEL BLOCK: Let me -- if you'd like me

1 just to clarify that. Our regulations and actually the  
2 statute provides -- I'll try to do this as quickly as  
3 possible. Because the Countywide Integrated Waste  
4 Management Plan and the Siting Element requirements came  
5 in while they were obviously existing facilities, there  
6 was this gap period involved. And there was a recognition  
7 that there were going to be plans for new and expanded  
8 facilities that might not have all the local approvals  
9 necessary. So there's statute.

10 And then our regulations set up this in-between  
11 status, if you will, for facilities that they call  
12 tentative reservations, which is if a county picked  
13 certain sites that didn't have their local approvals yet,  
14 in order to add up to the 15 years of capacity, they could  
15 be included in the Siting Element as a tentative  
16 reservation. But then the statute also required that if  
17 those local approvals weren't obtained within five years,  
18 by the time of the five-year review, they would have to  
19 come back out of the Siting Element and some other  
20 arrangement would be made.

21 And so as Mr. Williams has explained, they had a  
22 number of sites that were originally tentatively reserved  
23 because they didn't have these things. And since the  
24 local approvals hadn't moved forward, they are required by  
25 statute and regulations to come out of the Siting Element.

1 COMMITTEE MEMBER PEACE: I was just wondering  
2 why, if it was something they had to do. Actually,  
3 considering that Gregory Canyon didn't have all the  
4 permits yet, I thought it was premature to be removing all  
5 the other nine tentative sites.

6 What happens if for some reason Gregory Canyon  
7 doesn't get its permits, if it ends up in lawsuits for  
8 several years? I mean, is it hard then for the county to  
9 get any of these sites back into their Siting Elements?

10 MR. WILLIAMS: No. It's not difficult. The  
11 Campo site on the border east of Tie Mesa, all they have  
12 to do to get it back into the tentative classification is  
13 reapply for a major use permit. And they're willing to do  
14 that, should the need be there.

15 COMMITTEE MEMBER PEACE: Okay. Thank you.

16 CHAIRPERSON MARIN: Mr. Washington, any  
17 questions?

18 Okay. Call the roll, please.

19 COMMITTEE MEMBER WASHINGTON: Madam Chair, I'd  
20 like to move adoption of Resolution 2005-262.

21 CHAIRPERSON MARIN: That's right. We need to  
22 move it first. Right. And you're not going to call the  
23 roll. Thank you, Mr. Washington.

24 Is there a second?

25 COMMITTEE MEMBER PEACE: Second.

1 CHAIRPERSON MARIN: Moved and seconded.  
2 Jeannine, would you please call the roll?  
3 EXECUTIVE ASSISTANT BAKULICH: Peace?  
4 COMMITTEE MEMBER PEACE: Aye.  
5 EXECUTIVE ASSISTANT BAKULICH: Washington?  
6 COMMITTEE MEMBER WASHINGTON: Aye.  
7 EXECUTIVE ASSISTANT BAKULICH: Marin?  
8 CHAIRPERSON MARIN: Aye.  
9 Thank you very much.  
10 Thank you so much for coming. Don't confuse me  
11 when I'm wrong, please.  
12 Item Number 13.  
13 DEPUTY DIRECTOR SCHIAVO: This is Discussion and  
14 Request for Direction Regarding the 2004/2005 Adjustment  
15 Method Review Working Group Recommendations. And Tim Hall  
16 will present this item.  
17 CHAIRPERSON MARIN: Before we move forward, this  
18 item will be on consent.  
19 DEPUTY DIRECTOR SCHIAVO: This has been a  
20 culmination. This began during the SB 2202 process. One  
21 of the recommendations was to improve the adjustment  
22 method. And through Tim's hard work and people  
23 participating in the group and other staff at the Board  
24 working closely with Tim, we've come forward with what  
25 you're going to see today.

1           (Thereupon an overhead presentation was  
2           presented as follows.)

3           MR. HALL: I'm Tim Hall with the Waste Analysis  
4 Branch. This item is a Discussion and Request for  
5 Direction Regarding the Recommendations of the 2004/2005  
6 Adjustment Method Review Working Group.

7                               --o0o--

8           MR. HALL: Originally, the Integrated Waste  
9 Management Act required jurisdictions to regularly measure  
10 their waste generation and report how much of their waste  
11 was diverted from landfills. The law required them to  
12 divert 25 percent in 1995 and 50 percent in 2000.

13           In 1992, AB 2494 changed the measurement system  
14 to a disposal based system. AB 2494 required the Board to  
15 develop the Disposal Reporting System, or DRS, and a  
16 standard methodology for estimating generation without  
17 having to measure diversion directly. That's the  
18 adjustment method. The Board convened a working group of  
19 stakeholders to help develop the adjustment method. And  
20 starting in 1995, jurisdictions used the disposal based  
21 system to estimate their diversion rates.

22                               --o0o--

23           MR. HALL: In 2001, the Board convened working  
24 groups to review the diversion rate measurement system as  
25 required by Senate Bill 2202. The Board's SB 2202 report

1 to the Legislature recommended many policy, regulatory,  
2 and statutory changes, including the recently approved DRS  
3 regulations.

4 As follow up to SB 2202, in March 2004, the Board  
5 approved the contract with California State University of  
6 Sacramento and directed staff to convene a working group  
7 to see if the adjustment method could be improved.

8 This adjustment method review working group  
9 consisted of a variety of stakeholders, including  
10 jurisdictions, industry representatives, consultants, and  
11 academic institutions. The working group met four times  
12 between September 2004 and June 2005 and discussed many  
13 issues that may affect adjustment method accuracy.

14 --o0o--

15 MR. HALL: Attachment 1 in your packet is a table  
16 of the working group recommendations, including staff  
17 recommendations. I'll summarize these recommendations in  
18 the next few slides.

19 The first recommendation is to use the taxable  
20 sales deflator, or TSD, as an indicator of inflation as an  
21 alternative to CPI, consumer prize index. Current  
22 regulations specify that CPI be used in the adjustment  
23 method, but the regulations also allow alternatives if  
24 specific criteria are met.

25 TSD meets these criteria. And, therefore, staff

1 recommends the use of TSD as an alternative adjustment  
2 factor as specified in the regulations. This  
3 recommendation was the only one with unanimous support  
4 from the working group. The second recommendation is that  
5 because many of the 1990 and '91 base years are outdated  
6 and/or inaccurate, the working group wanted the Board to  
7 recognize that the adjustment method worked better with  
8 newer base years.

9 --o0o--

10 MR. HALL: Third, the working group recommends  
11 that the Board continue to consider alternative employment  
12 factors submitted by jurisdictions. Some jurisdictions  
13 have submitted employment data by ZIP code from the  
14 Employment Development Department, or EDD. This data may  
15 not be representative of jurisdiction employment growth  
16 rates. However, in many cases, default county level  
17 employment is not representative either.

18 Staff is researching whether a new EDD employment  
19 data series could be used in the adjustment method. And  
20 the series has the potential to be more representative of  
21 jurisdiction growth rates.

22 The fourth recommendation is to continue  
23 development and use of diversion rate accuracy indicators.  
24 And the working group suggested we provide that to  
25 jurisdictions as well.

1           The fifth recommendation, which is the only one  
2   that doesn't have full staff support, is to continue  
3   researching potential data sources. We do recommend that  
4   we continue the research. However, they also -- some of  
5   the working group wanted us to do a statewide pilot  
6   project to gather data, and we're concerned about the  
7   resources that would be required for that. So we don't  
8   fully support that.

9           BOARD MEMBER WASHINGTON: What would it cost to  
10   do something like that, for the pilot?

11          MR. HALL: I could only guess it would be in the  
12   millions to gather statewide generation data. Yeah.

13          CHAIRPERSON MARIN: Is that tens of millions or  
14   hundreds of millions? I'm kidding.

15          MR. HALL: I have an exact figure, but I don't --  
16   I'm teasing. It would be significant.

17          Number six and seven, the working group wants the  
18   Board to recognize that the adjustment method may be more  
19   representative for larger jurisdiction areas such as  
20   countywide, regional, or statewide; and that it may not  
21   sufficiently reflect construction activity. There was a  
22   lot of discussion about construction activity and whether  
23   or not it's reflected in the adjustment method. Staff  
24   believes it is partially reflected by some of the other  
25   factors. But it may not be reflected when we have

1 construction booms. And so staff recommends that we -- or  
2 staff agrees with these recommendations.

3 --o0o--

4 MR. HALL: Number eight, the working group wants  
5 the Board to continue to recognize there's a potential for  
6 significant errors in the measurement system, especially  
7 for small and rural jurisdictions.

8 And, finally, because of the release dates of  
9 some of the adjustment factors and DRS data that is  
10 submitted to the Board late, diversion rate estimates have  
11 recently been unavailable until about December of the  
12 following year. The working group wanted data sooner than  
13 that and asked if they could have preliminary diversion  
14 rates earlier.

15 We have on our website a calculator where they  
16 can actually plug in their own data and do that. And so  
17 what we did in our staff report is kind of point out that  
18 that is available. And we're updating a website that will  
19 give links to the sources of the adjustment factor data so  
20 they can go and look at it preliminary, you know, before  
21 the final factors are available.

22 --o0o--

23 MR. HALL: So the options for the Board today  
24 are: To direct staff to implement all of the working  
25 group recommendations; direct staff to implement only the

1 recommendations that have staff support; direct staff to  
2 implement some of the working group's recommendations that  
3 you feel we should implement; or direct us to take no  
4 further action.

5 --o0o--

6 MR. HALL: And we recommend Option 2, which is  
7 direct us to implement the recommendations that have our  
8 support. And that concludes my presentation. I'm happy  
9 to answer any questions.

10 COMMITTEE MEMBER WASHINGTON: It seems like the  
11 only -- I'm sorry, Madam Chair.

12 CHAIRPERSON MARIN: Yeah. You would like to  
13 speak. Why don't you go ahead and tell us what you  
14 think.

15 COMMITTEE MEMBER WASHINGTON: Briefly, so you  
16 guys only disagree with one, it sounds like, number five.

17 MR. HALL: The pilot project.

18 COMMITTEE MEMBER WASHINGTON: Thank you.

19 CHAIRPERSON MARIN: Let me ask you this. And I  
20 don't know whether there's another item. We received a  
21 couple of letters, one from the City of Clayton, and the  
22 other one from the City of Concord. Are these related to  
23 this particular item?

24 DEPUTY DIRECTOR SCHIAVO: No. The alternative  
25 workshops.

1 CHAIRPERSON MARIN: But let me ask you this,  
2 because I was thinking of the alternative method, and  
3 since we are talking about this, whether that was related  
4 to that. But in the working group, were the rural  
5 counties represented for this item before us? They were.

6 MR. HALL: Jim Hemminger was on the working  
7 group representing the ESJPA.

8 CHAIRPERSON MARIN: Did we get the buy-in from  
9 the rural counties?

10 MR. HALL: Yes. From Jim.

11 CHAIRPERSON MARIN: Okay. All right. Are there  
12 any further questions, Ms. Peace? No.

13 Okay. You do.

14 COMMITTEE MEMBER WASHINGTON: I do, Madam Chair,  
15 just briefly to staff.

16 Can you further explain the information that you  
17 want regarding the EDD?

18 MR. HALL: Yeah. Currently, what's available  
19 for free is county level employment for every county. And  
20 that's what we use in our calculator. Some jurisdictions  
21 have bought ZIP code level employment from EDD and  
22 submitted that. And there's some questions about whether  
23 or not that is representative of the jurisdiction because  
24 of boundary issues and changes over time in the ZIP codes.  
25 There are really no official boundaries for ZIP codes.

1 They're based on the routes.

2 EDD recently has begun to geo code the addresses  
3 of businesses. And basically what -- it's GIS. And what  
4 they do is they put in the address, and then that can be  
5 mapped. And if you overlay that with the jurisdiction  
6 boundaries, then you can see which jurisdiction the  
7 businesses fall in. So it will be easier to see  
8 jurisdiction level employment. But that data series  
9 doesn't start until 2003, so it would have to be used with  
10 jurisdictions with newer base years.

11 COMMITTEE MEMBER WASHINGTON: What about the TSB?

12 MR. HALL: The taxable sales deflator. It's a  
13 measure of inflation specific to the transactions that are  
14 in taxable sales. So the CPI -- I'll give you a basic  
15 comparison. CPI is a measure of all goods and services.  
16 So it includes housing, which has gone through the roof  
17 recently; medical; fuel; education, along with all taxable  
18 items. Taxable sales deflator is an index that the Board  
19 of Equalization uses to measure inflation for taxable  
20 sales. So it's specific to the factor that we use in the  
21 formula. We talked with BOE staff, and they've told us  
22 that it's more accurate. And we talked with our  
23 contractor at Sac State.

24 COMMITTEE MEMBER WASHINGTON: So we're using the  
25 same formulas?

1           MR. HALL:    It would be the same formula.  We  
2   would substitute taxable sales deflator for CPI.

3           COMMITTEE MEMBER WASHINGTON:  Thank you.

4           CHAIRPERSON MARIN:  Well, I have to go back to  
5   the working group.  The League of Cities was a member of  
6   this working group.  Did they participate?

7           MR. HALL:    No.  The League of Cities did not  
8   participate.  There were several jurisdictions that were  
9   there and consultants.

10          BRANCH MANAGER VAN KEKERIX:  Lorraine Van Kekerix  
11   with the Waste Analysis Branch.  Typically, we phone  
12   Yvonne Hunter before we start these working groups, and  
13   she asks us to rely on her member cities for the specific  
14   information on these highly technical topics.  So we did  
15   have many cities who were members and kept her apprised of  
16   what was going on.  But it wasn't an official League  
17   representative.  It was the individual cities.

18          CHAIRPERSON MARIN:  Okay.  Now, the working  
19   group, there was basically consensus except for Item  
20   Number 5.  Everybody agreed, more or less.

21          MR. HALL:    On many of the items, yes.  There was  
22   some disagreement on some of the items.  In the end, I  
23   received no --

24          CHAIRPERSON MARIN:  Opposition.

25          MR. HALL:    -- opposition to the item in front of

1 you.

2 CHAIRPERSON MARIN: And I didn't see, at least,  
3 anybody that was really opposed to any of this. And did  
4 you also have our haulers represented in the working  
5 group?

6 MR. HALL: Chuck White was on the working group.

7 CHAIRPERSON MARIN: Oh, well, if Chuck White was  
8 involved, that's it. Okay. So we had the haulers. We  
9 had LEAs.

10 MR. HALL: We did not have LEAs.

11 CHAIRPERSON MARIN: No LEAs. Okay.

12 MR. HALL: Well --

13 CHAIRPERSON MARIN: It wouldn't necessarily be  
14 relative.

15 BRANCH MANAGER VAN KEKERIX: Typically, the LEAs  
16 are not involved in the diversion rate measurement method  
17 development.

18 CHAIRPERSON MARIN: And I think the point I'm  
19 trying to make is I hope we got, you know, a pretty wide  
20 consensus that this is the way to move. I don't want to  
21 be surprised a week from now when we're at the Board  
22 somebody comes out and says, "I never knew and this is  
23 terrible." If that's not the case -- and I know you guys  
24 have been working on this for a while. So I just want to  
25 make sure that the interested parties, the ones that

1 really are going to benefit from this and/or -- who  
2 wouldn't benefit from this? Are there jurisdictions that  
3 would not benefit from this new method?

4 MR. HALL: Based on the data we have now, no.  
5 No. There are no jurisdictions that would be hurt by any  
6 of these recommendations.

7 CHAIRPERSON MARIN: Okay.

8 DEPUTY DIRECTOR SCHIAVO: And, again, as far as  
9 notifications of the workshops, we widely distribute  
10 interest letters for who wants to be involved. And then  
11 as we're going through the process, we sent out the status  
12 of it to everybody involved or interested. We try to  
13 solicit as many comments as we can. And as Tim mentioned,  
14 we didn't receive any comments here towards the end of the  
15 process. And this has been going on informally and  
16 formally for several years as a result of 2202 and then  
17 subsequent meetings.

18 CHAIRPERSON MARIN: Now, let me ask you about the  
19 increased construction activity. Is there a way that we  
20 are going to be able to measure it and --

21 MR. HALL: We actually did some analysis. Our  
22 contractor did some statistical analysis. And we found  
23 that the data -- based on the data that we have, we just  
24 can't establish a relationship between the construction  
25 data that's available and waste generation data that we

1 have.

2 Now, we're not saying that there's not a  
3 relationship. We know there's a relationship. It's  
4 possible that a lot of the construction activity is  
5 reflected in population, for example. Because when you  
6 build more housing, your population grows. But the data  
7 that's available out there just doesn't correlate with the  
8 generation data that we have. We will be doing more  
9 research.

10 CHAIRPERSON MARIN: On that particular area?  
11 Because my concern would be for those particular areas of  
12 the state that are experiencing incredible population  
13 growth, and there are some that are experiencing very  
14 significant. How would we be able to account -- is there  
15 a provision for staff looking at that particular item, at  
16 least on an individual basis? Are there some exemptions?  
17 Is there language that will enable staff to address that?

18 MR. HALL: Do one of you want to address that?

19 BRANCH MANAGER MORGAN: Yes and no. I mean, as  
20 Tim said, you know, right now we have no specific data to  
21 be able to correlate to waste generation. But as you  
22 know, when jurisdictions are evaluated and if they have  
23 been determined not to have met the 50 percent diversion  
24 requirement, we look at a number of factors. Statute does  
25 allow in the good faith effort designation for the Board

1 to take into consideration construction and demolition  
2 diversion program implementation. So oftentimes when you  
3 see before you a good faith effort analysis, staff have  
4 assessed the jurisdiction's program implementation related  
5 to that, and that plays into the good faith effort. So  
6 data, you know, no direct correlation, but we do use it as  
7 part of a good faith effort analysis as well.

8           DEPUTY DIRECTOR SCHIAVO: When staff is  
9 performing their analysis, probably one of the most  
10 important factors is looking at disposal trends and then  
11 discussing it with jurisdictions if you see a big blip,  
12 discussing with the jurisdiction why do you think that  
13 existed. There's a big spike, is there a big construction  
14 activity taking place? If that's the root cause, then we  
15 talk about not only how would it effect their evaluation  
16 in the current, but how do you plan on getting it done in  
17 the future. So that's another part of the process.

18           BRANCH MANAGER MORGAN: And one last point I just  
19 thought of is the Board did pass a C&D policy for  
20 jurisdictions. So in cases where jurisdictions are  
21 diverting a lot of C&D material but they're still getting  
22 hit with some disposal, we have a system in place where  
23 they can claim a disposal modification. We've had a  
24 number of cities take advantage of that Board policy that  
25 was passed a number of years ago. So there's various

1 avenues that we can address it with respect to their  
2 evaluation.

3 COMMITTEE MEMBER WASHINGTON: I guess I'm just  
4 having some trouble or difficulty understanding. Because  
5 you're saying that you don't have a method in place to  
6 deal with the construction piece, at least rapid growth  
7 cities, so how do we place this onus on them if we don't  
8 have a method to determine how do we find them. I guess  
9 I'm missing something here in terms of how do we determine  
10 and what measures do we use if a city comes under the 50  
11 percent to find them if there's nothing in place. And  
12 this is a new method we're putting together. I'm sure  
13 it's not a one size fits all type of method we're going to  
14 be using here.

15 MR. HALL: It is a one size fits all for the  
16 adjustment method.

17 COMMITTEE MEMBER WASHINGTON: For the adjustment  
18 method.

19 MR. HALL: Right. But for the good faith effort,  
20 that's case by case.

21 DEPUTY DIRECTOR SCHIAVO: But, again, there's  
22 also the opportunity for a city to perform a new  
23 generation study if they would choose to do that.

24 COMMITTEE MEMBER WASHINGTON: Can that be done at  
25 any time?

1           DEPUTY DIRECTOR SCHIAVO: That can be done at any  
2 time. So you can get at it that way. Again, there's no  
3 empirical method within the adjustment factor process at  
4 this point in time, but there are other methods. You  
5 know, again, you can do a new generation study to do a  
6 quick and dirty see if you can pick it up. And then if  
7 that doesn't work and they fall below the 50, that's when  
8 we kick in the good faith effort. And the way we look at  
9 good faith effort is it's not that the jurisdiction is  
10 doing any worse of job than somebody over 50 percent.  
11 It's just their numbers don't indicate it, and we consider  
12 them in compliance as well as other jurisdictions.

13           COMMITTEE MEMBER WASHINGTON: And that gives me  
14 some relief with the good faith effort, because I still  
15 should have done the study to figure out some way to  
16 measure this thing that really gives the advantage. But  
17 if we have a good faith measure there, that does kind of  
18 offer some relief for people to kind of try to work  
19 through some of this stuff.

20           MR. HALL: Can I just mention the original  
21 working group that developed the method struggled with  
22 construction activity back then.

23           COMMITTEE MEMBER WASHINGTON: You know, it's just  
24 growth all over the state of California.

25           MR. HALL: And they couldn't find a factor that

1 reflected that either to put in the adjustment method.

2 I think this is probably the biggest unresolved  
3 issue that came out of this working group, is that  
4 there's -- we can't find a factor to reflect that  
5 construction activity. And I'm sure it's a huge impact on  
6 generation over the last few years specifically. And it's  
7 frustrating for us, because we can't reflect it in the  
8 adjustment method.

9 COMMITTEE MEMBER WASHINGTON: And I certainly  
10 believe, Madam Chair, as time goes forward and in years to  
11 come, Board members -- I certainly probably won't be here  
12 to see it. But I believe you will be revisiting this  
13 issue, because at some point it's going to be very  
14 dangerous in terms of the construction that is happening.

15 I mean, when I first started coming to  
16 Sacramento, off of the 5 freeway from the airport to here,  
17 it was nothing but open land. And now all they have is  
18 housing being built there. So I mean, it's rapidly  
19 growing. And I really believe at some point a study --  
20 you guys really are going to have to do a study to figure  
21 this thing out in terms of how we measure, you know, this  
22 whole method of using this.

23 I certainly support this. I support Option 2,  
24 Madam Chair, with the staff's recommendation. I don't  
25 think we have the resources to be doing all this other

1 stuff. But I think the working group did an excellent  
2 job, and they've come together and came up with a method  
3 for us to use.

4 MR. HALL: I'm sorry. Can I just say two more  
5 things, and then I'll be done unless you have more  
6 questions.

7 CHAIRPERSON MARIN: Okay.

8 MR. HALL: One, when we did the statistical  
9 analysis, we used new base year data. And we found that  
10 it explained most of the variation in the generation, that  
11 our current factors explained most of that variation. So  
12 I think that using those factors does explain some of the  
13 construction activity in the newer base years. It's when  
14 you've got an older base year that it really becomes an  
15 issue.

16 CHAIRPERSON MARIN: And most of our  
17 jurisdictions, are they using the newer base studies?

18 MR. HALL: I think it's about half.

19 CHAIRPERSON MARIN: That's an incentive for the  
20 other half. Okay. All right.

21 MR. HALL: And then the only other thing I wanted  
22 to do is I wanted to thank all of the working group  
23 members and the other staff for participating in this. I  
24 really appreciated it. It was a good experience for me,  
25 and I think it was a good experience for everybody who was

1 involved.

2 CHAIRPERSON MARIN: Thank you. You guys did a  
3 great job.

4 Any further questions, comments?

5 You made a motion.

6 COMMITTEE MEMBER WASHINGTON: Do we need a  
7 motion?

8 CHAIRPERSON MARIN: You just need direction. So  
9 go ahead, but no millions of dollars in studies. Okay.  
10 Thank you, Tim. Thank you, Lorraine.

11 Next item, Item Number 14.

12 DEPUTY DIRECTOR SCHIAVO: John Duke will present  
13 this item. It's Consideration of the Amended Nondisposal  
14 Facility Element for the City of Fresno.

15 MR. DUKE: Good morning, Madam Chair and  
16 Committee members.

17 The City of Fresno is amending its Nondisposal  
18 Facility Element by identifying and describing the West  
19 Code Waste, Incorporated, Green Waste Facility. This  
20 facility will process green waste and wood waste materials  
21 from the City of Fresno.

22 The City has submitted all required  
23 documentations for this facility. Staff, therefore,  
24 recommends approval of this amendment. This concludes my  
25 presentation. Thank you.

1 CHAIRPERSON MARIN: Okay. Thank you, John.

2 Let me just ask you. Will this help the city  
3 achieve their 50 percent diversion? Was this part in any  
4 way, shape, or form of their -- it wasn't a Compliance  
5 Order. Their extension, was it their extension? It was a  
6 1066.

7 BRANCH MANAGER MORGAN: Yeah. This is the City  
8 of Fresno. So, yes, by expanding the facility, it helps  
9 them increase the amount of green waste that can be  
10 diverted.

11 CHAIRPERSON MARIN: Great. Anybody here from the  
12 City of Fresno?

13 MR. DUKE: No.

14 CHAIRPERSON MARIN: They're implementing that  
15 already. Okay.

16 Ms. Peace.

17 COMMITTEE MEMBER PEACE: I have no questions.  
18 I'm ready to move the item. I'd like to move Resolution  
19 2005-245.

20 COMMITTEE MEMBER WASHINGTON: Second.

21 CHAIRPERSON MARIN: Moved and seconded. Without  
22 objection, we will substitute the previous roll call and  
23 it will go on consent.

24 Okay. Item Number 15.

25 BRANCH MANAGER MORGAN: I'm going to fill in for

1 Pat. Cara Morgan, Office of Local Assistance.

2 This is Consideration of the Amended Nondisposal  
3 Facility Element for the Unincorporated Area of Orange.  
4 And Maria Kakutani will be making this presentation.

5 CHAIRPERSON MARIN: Hello, Maria.

6 MS. KAKUTANI: Good morning, Committee Chairman  
7 and Committee members.

8 The County of Orange is amending its Nondisposal  
9 Facility Element by identifying and describing the CR&R  
10 solid waste transfer/processing facility and pilot food  
11 waste compost facility, a new facility.

12 The County has submitted all required  
13 documentation for this facility, and therefore, staff  
14 recommends approval of this amendment to the County of  
15 Orange's NDFE. A County representative is here to answer  
16 any questions. This concludes my presentation. Thank  
17 you.

18 CHAIRPERSON MARIN: Okay. Thank you. And Ms.  
19 Peace, do you have -- no questions.

20 COMMITTEE MEMBER WASHINGTON: Madam Chair, I'd  
21 like to move adoption of Resolution 2005-244.

22 COMMITTEE MEMBER PEACE: Second.

23 CHAIRPERSON MARIN: Moved and seconded. Without  
24 objection, that will be the order. We'll move to the next  
25 item. That item will be placed on consent. Item 16.

1           DEPUTY DIRECTOR SCHIAVO: This is Consideration  
2 of the Amended Nondisposal Facility Element for Kings  
3 County Unincorporated. And Eric Bissinger will present  
4 this item.

5           CHAIRPERSON MARIN: Okay.

6           MR. BISSINGER: Good morning, Committee.  
7 Unincorporated Kings County is amending the  
8 Nondisposal Facility Element by identifying and describing  
9 the West Lake Farms Co-Composting Facility as a new  
10 facility.

11           The jurisdiction has submitted all required  
12 documentation for the facility. Therefore, staff  
13 recommends approval of the amendment to Unincorporated  
14 Kings County Nondisposal Facility Element. And that  
15 concludes this presentation.

16           CHAIRPERSON MARIN: Thank you, Eric.

17           Are there any questions? No questions.

18           Is there a motion? We're leaving all of these  
19 people ready to go. Okay. Go ahead.

20           COMMITTEE MEMBER PEACE: I'd like to move  
21 Resolution 2005-246.

22           COMMITTEE MEMBER WASHINGTON: Second.

23           CHAIRPERSON MARIN: Moved and seconded. Without  
24 objection, that will be the order. And we will put this  
25 item on consent. I think Greg was here, Greg Gatzka.

1 Thank you for being here. You don't have to testify or  
2 come before us. Also want to thank Sue Gordan; right?  
3 She was here from Orange County. I think she's left.

4 Okay. Item Number 17.

5 DEPUTY DIRECTOR SCHIAVO: This is Consideration  
6 of the Five-Year Review Report for the Countywide  
7 Integrated Waste Management Plan for the County of Kings.  
8 And Eric will present this item also.

9 MR. BISSINGER: Kings County and the Local Task  
10 Force completed its Five-Year Review of the Countywide  
11 Integrated Waste Management Plan. Board staff has  
12 evaluated the County's Review Report and determined that  
13 the required elements have been addressed. Therefore, it  
14 is staff's recommendation that the Board approve the  
15 County's assessment that no revision is necessary. This  
16 concludes my presentation. And Greg Gatzka is here to  
17 answer any questions.

18 CHAIRPERSON MARIN: Okay. Do we have any  
19 questions for Mr. Gatzka?

20 No questions.

21 COMMITTEE MEMBER WASHINGTON: Madam Chair, I'd  
22 like to move adoption of Resolution 2005-247.

23 COMMITTEE MEMBER PEACE: Second.

24 CHAIRPERSON MARIN: Moved and seconded. Without  
25 objection, that will be the order, and we will place this

1 item on consent.

2 Next item.

3 DEPUTY DIRECTOR SCHIAVO: This is Consideration  
4 of the Five-Year Review Report for the Countywide  
5 Integrated Waste Management Plan for the County of Merced.  
6 And Yasmin Satter will present this item.

7 MS. SATTER: Good morning, Madam Chair and  
8 members of the Board.

9 The County of Merced completed its Five-Year  
10 Review of the Countywide Integrated Waste Management Plan  
11 and determined that a revision of their plan was not  
12 necessary at this time.

13 Board staff has evaluated Merced's review report  
14 and determined that the required elements have been  
15 addressed. Therefore, it is staff's recommendation that  
16 the Board approve the County of Merced's assessment that  
17 no revision is necessary. A representative from the  
18 County are available to answer any questions you may have.  
19 This concludes my presentation.

20 CHAIRPERSON MARIN: Thank you, Yasmin.

21 Are there any questions for the county? No. No  
22 questions. We're letting you guys off easy today. Okay.

23 COMMITTEE MEMBER WASHINGTON: Madam Chair, I'd  
24 like to move adoption of Resolution 2005-248.

25 COMMITTEE MEMBER PEACE: Second.

1 CHAIRPERSON MARIN: Okay. Moved and seconded.

2 Without objection, that will be the pleasure of this  
3 Committee, and we'll place this item on consent.

4 The next item, Number 19.

5 DEPUTY DIRECTOR SCHIAVO: Is Consideration of the  
6 Application for an SB1066 Time Extension by the Merced  
7 County Solid Waste Regional Agency. And Yasmin will  
8 present this item also.

9 CHAIRPERSON MARIN: Okay, Yasmin.

10 MS. SATTER: The Merced County Solid Waste  
11 Regional Agency has requested a first SB1066 Time  
12 Extension through December 31st, 2005, to provide it with  
13 additional time to implement diversion programs. Staff's  
14 analysis of their request is that it is reasonable given  
15 the barriers the regional agency is facing.

16 Board staff has determined the information  
17 submitted in the application has been adequately  
18 documented and recommends the Board approve the time  
19 extension request. The Agency's representatives are  
20 available to answer any questions you may have. This  
21 concludes my presentation. Thank you.

22 CHAIRPERSON MARIN: Thank you, Yasmin.

23 I'm sure there are a couple of questions on this  
24 one.

25 Ms. Peace, do I sense that you may have a

1 question?

2 COMMITTEE MEMBER PEACE: It says here they are  
3 going to do a C&D ordinance.

4 CHAIRPERSON MARIN: Let me call -- we have two  
5 people, Bill Spriggs from Merced County Association of  
6 Governments and R. Scott Johnson. Who's going to come  
7 first?

8 MR. SPRIGGS: Madam Chair, I'm Bill Spriggs. I'm  
9 a member of the Merced City Council. And today I'm  
10 wearing my Vice Chairman's hat of the Merced County  
11 Association of Government.

12 CHAIRPERSON MARIN: You're the right person to  
13 come.

14 MR. SPRIGGS: Which is kind of like herding cats,  
15 because we're six municipalities in the County of Merced  
16 forming the Joint Powers Authority that manages our solid  
17 waste in Merced County.

18 And I'm here just to emphasize our commitment as  
19 a Governing Board to meet our attainment. The City of  
20 Merced, I'm proud to say, has implemented curbside three  
21 years ago. We are in the process of doing a pilot program  
22 on C&D right now, we'll be starting this month. The  
23 County of Merced, which is actually the second largest in  
24 terms of population in the county, Unincorporated is the  
25 largest in terms of population in the county, is

1 implementing C&D program now as an agency. I think we  
2 have the political will to move forward.

3 We recently implemented on another issue a --  
4 we're one of the first agencies in the state to implement  
5 a regional transportation impact fee, so we have the  
6 ability to work collaboratively countywide. So Scott  
7 Johnson with the County of Merced and Margie Kern and Rose  
8 Neemi with Merced County Association of Governments are  
9 with us, and they're able to answer the technical  
10 questions.

11 CHAIRPERSON MARIN: Well, first of all, let me  
12 thank you. As an elected official, I know how difficult  
13 it is to move away from your city. I really appreciate  
14 you taking the time. I appreciate your efforts on behalf  
15 of the entire county on that Council of Governments.

16 And let me ask you this. Do all of the cities in  
17 that county, have they all adopted a C&D?

18 MR. SPRIGGS: No.

19 CHAIRPERSON MARIN: But the City of Merced has?

20 MR. SPRIGGS: The City of Merced is starting a  
21 pilot program. It's kind of a catch 22. We're in the  
22 process of repermitting our landfill, which is probably 18  
23 months down the road. We need to get the authorization  
24 from the State to do a transfer station so we can move C&D  
25 outside of the county.

1           City of Merced and the County are going to do  
2 direct haul. The closest facility to handle C&D is in  
3 Fresno. So we have to do direct haul. So it makes it a  
4 little more difficult for some of the smaller agencies in  
5 the county. We need new transfer stations to move that  
6 C&D outside to be processed.

7           CHAIRPERSON MARIN: Currently, do you have a  
8 transfer station that takes care of that?

9           MR. SPRIGGS: We do not. We do not have a  
10 transfer station. So what we're doing is direct haul.

11          CHAIRPERSON MARIN: Okay. Well, I know Ms. Peace  
12 is going to say something, but I'll just let her say it.

13          COMMITTEE MEMBER PEACE: So when do you plan to  
14 have a C&D policy or C&D ordinance?

15          MR. SPRIGGS: As soon as we can. We've always  
16 been very proactive, you know. We approved an expenditure  
17 last Monday night for hundreds of thousands of dollars to  
18 buy additional recycling cans. So we are committed. I  
19 can speak for the community of Merced. We are committed  
20 to move forward with C&D. It would be easier if we had a  
21 transfer station. That will come down the road with the  
22 repermitting of our current landfill facility.

23          COMMITTEE MEMBER PEACE: Even though this is a  
24 regional agency, each jurisdiction then will pass their  
25 own C&D ordinance? It's not something you'd make all your

1 member jurisdictions do?

2 MR. SPRIGGS: It's kind of like herding cats.

3 COMMITTEE MEMBER PEACE: I thought that was the  
4 reason for the regional agency is to get everybody on the  
5 same page doing the same thing.

6 MR. SPRIGGS: That is. And we've been successful  
7 in getting everybody on the same page. With our regional  
8 transportation impact fee, it required the other agencies  
9 in the region to implement the same ordinance. So with  
10 the exception of one agency, we've all implemented that  
11 ordinance and we're moving forward with the regional fee.  
12 So I think we've proven that we can work together as a  
13 region for these important issues and --

14 COMMITTEE MEMBER PEACE: It seems like it would  
15 make sense for the developers and builders to want a C&D  
16 policy that was the same in the whole region.

17 CHAIRPERSON MARIN: I'm going to put the onus on  
18 you since you're here.

19 MR. SPRIGGS: And that's why I'm here.

20 CHAIRPERSON MARIN: We would love to see the City  
21 of Merced take a leading role and develop and implement  
22 your C&D ordinance as soon as possible. It is at the  
23 local level. I'm a former mayor of a city myself. When  
24 you lead the way, other people will follow.

25 And I know there are considerations and so forth,

1 but we have now many, many cities that have adopted a C&D  
2 ordinance. We have it available on our web page. I'm  
3 going to ask you when you go back, talk to your  
4 colleagues, adopt that C&D ordinance, and then once you do  
5 that, I think that you will have a greater influence in  
6 all of the other cities that are part of your Joint Power  
7 of Authority. So you're here so --

8 MR. SPRIGGS: Well, I'm here because staff wanted  
9 me here, so at our Board meeting next Thursday I can  
10 emphasize your concern about C&D and moving forward  
11 with -- and our 1066, you know. Traditionally, we run  
12 between 43 and 50 percent. So we've been close. But  
13 we've experienced significant -- the city of Merced grew  
14 by 4.5 percent last year. The city of Los Banos grew by  
15 4.8 percent last year. So we had a significant increase  
16 in construction. And I think it's obvious that we need to  
17 move forward with C&D.

18 CHAIRPERSON MARIN: Okay. And can we have Mr.  
19 Scott Johnson. Thank you for your time. I really  
20 appreciate that.

21 MR. JOHNSON: Madam Chair, I'm Scott Johnson.  
22 I'm the Deputy Director of Public Works for the Solid  
23 Waste Division. We handle both landfill facilities as  
24 well as we are in charge to do the disposal reporting for  
25 the regional agency, present items to them, and hopefully

1 move forward with this.

2 To answer your earlier questions on your C&D  
3 issues, the City of Merced is starting a pilot program.  
4 They're working with an agency that has a yard in Fresno  
5 to direct haul all C&D waste from the city of Merced.  
6 City of Merced is rather unique in that they do all their  
7 own waste hauling, even their construction and demolition  
8 drop boxes. Nobody else goes into the City of Merced, so  
9 they have a real captive audience.

10 Again, they don't have a transfer facility at  
11 this time. We are working with them in order to try to  
12 create that. But the materials will be -- all the C&D  
13 materials will be transferred to a C&D recycling center in  
14 Fresno.

15 Coupled with that, we're going before the  
16 Technical Review Board and the Governing Board this week  
17 with a request to change the rates. Right now, our rates  
18 for mixed C&D materials are standard refuse fees. We're  
19 asking to double those. We've got some incentive rates  
20 for materials that are source separated. They come into  
21 our facility and they separate the waste from the  
22 aggregates and other materials. We can deal with that  
23 when it comes in next. We just don't have the staff or  
24 facilities to take that apart.

25 So we're going to try this, coupled with the City

1 of Merced's planned change in the rates at the landfill.  
2 The waste hauler from the Fresno facility is willing to  
3 direct haul from county areas also. We're going to go out  
4 and talk with all our building departments to explain this  
5 information so they can get that information out to the  
6 builders. We want to study this for a little bit and see  
7 how this works and then come back with a C&D ordinance  
8 recommendation for the regional agency that makes a little  
9 bit more sense.

10 We've got again a number of small jurisdictions  
11 with very small building department staffs. And to take  
12 every building permit and try to get waste plans from each  
13 individual builder and stuff seems a little bit onerous at  
14 this point in time. We want to see if we can do it this  
15 other way first before we come in with an ordinance that's  
16 going to be very staff intensive for the smaller  
17 communities.

18 We've got a number of plans that are in place.  
19 Part of them are part of the 1066 application. The City  
20 of Merced has already made contact with a number of the  
21 schools. They're going to start a school recycling  
22 program. In the context with the cities, the school  
23 system has been very positive. That's due to start up in  
24 November. They also have a pilot commercial recycling  
25 plan.

1           Currently, within the city limits of Merced and  
2 the commercial areas, they do have some pick up of  
3 cardboard and that sort of thing, but they don't have a  
4 full recycling program for the commercial area. They're  
5 going to initiate that by December of this year. That's  
6 going to help us out, because we go out from our landfill  
7 and pick up from a few of the commercial establishments,  
8 which is not really cost effective. We're hopeful that's  
9 going to increase our diversion.

10           The City of Livingston is implementing a drop-off  
11 program for their community, and they are in negotiations  
12 with their waste hauler to start curbside programs. We've  
13 got some severe limitations right now. They just lost  
14 their City Manager, and they're in a little bit of a  
15 disruptive situation right now. But we're working with  
16 their staff to get this information to their City Council.

17           Los Banos is moving forward with their curbside  
18 green waste program. And these are very small  
19 communities, but they're committed to work with the rest  
20 of the agencies within the regional agency to implement  
21 some programs.

22           The County, just in August 16th of this year, the  
23 Board of Supervisors approved adding a third can system to  
24 the populated areas within Merced County. When we  
25 implemented the green waste program four or five years

1 ago, that was an additional 10,000 refuse cans of green  
2 waste cans. There's going to be another 10,000 cans being  
3 put out on the streets of the rural areas of Merced County  
4 in about February. We're still working with the waste  
5 hauler to get that implemented on time.

6 Los Banos has a green can program. They are in  
7 negotiations with their waste hauler right now. There's a  
8 little problem. The waste hauler wants a little more  
9 money than the City is willing to expend at this point in  
10 time, but they are working on that program.

11 Coupled with that, we're entering into an  
12 agreement. That agreement is going before our Board of  
13 Supervisors today to enter into a contract with California  
14 Waste Associates, Jim Greco. We are one of those, half of  
15 those, agencies that have a base year that's 13 years old.  
16 So we want to see what the new base year is. And once we  
17 do that, we want Jim to help us look at the waste streams  
18 within the regional agency and decide which programs are  
19 appropriate to implement for the rest of the agencies  
20 within the jurisdiction.

21 And on top of that, going before the TRB and the  
22 Governing Board, this week we have a procurement policy  
23 that we're taking forward to them with three different  
24 options.

25 Again, all of the jurisdictions, even though we

1 are a regional agency, each individual agency enacts their  
2 own regulations, ordinances, and that sort of thing. We  
3 are trying to provide them with some examples that have  
4 been provided to us by your Waste Board staff as good  
5 examples of procurement policies that go beyond just  
6 dealing with recycled paper content. And we're going to  
7 push forward with that. That's why it's very important  
8 that Bill Spriggs is here today, so he can carry that word  
9 forward to the Governing Board as an elected official, as  
10 a member of that Board, rather than just hearing it from  
11 staff.

12 I'd be glad to answer any questions you may have.

13 CHAIRPERSON MARIN: Thank you, Mr. Johnson.

14 Thank you very much for being here.

15 I have a couple of questions regarding the City  
16 of Livingston. I understand their City Manager is not  
17 there. Don't they have something about the contract  
18 language is not conducive for a curbside recycling? What  
19 are they going to do? I know that we're saying, well,  
20 they need to do something. But what is it that you're  
21 going to ask them to do?

22 MR. JOHNSON: Well, in the downtown area, they  
23 have alley services that have 300-gallon containers with  
24 absolutely no limitations on what people can put in there.  
25 It's amazing what they find in there, engine blocks. It's

1 just terrible. And in their contract with the waste  
2 hauler, it's been in effect for years. And they're having  
3 difficulty getting the waste hauler to commit to changing  
4 out those 300-gallon containers and going to individual  
5 toters for each residence. They've actually pulled the  
6 plug on the contract with their waste hauler because  
7 they're not coming forth with a better plan. Now,  
8 unfortunately, the window on that is now about seven years  
9 away before that contract expires. But they are at the  
10 table negotiating with these groups.

11 One interim plan that they're considering is the  
12 newer residential areas of town don't have the alleys.  
13 They do have the 90-gallon containers. They can implement  
14 some curbside programs with that part of their population.  
15 And we're hopeful they're moving forward with that. But  
16 they're trying to figure out a solution for the entire  
17 community. And it's going to be a little difficult.  
18 Again, when you lose your City Manager in the midst of all  
19 this, it's going to shift the emphasis a little bit. But  
20 we're going to work with their staff and try to help them  
21 along.

22 CHAIRPERSON MARIN: Well, I would appreciate --  
23 and I know for a fact that the hauler's one of the  
24 premiere haulers. It surprises me that they have been  
25 unable to work something out. I mean, it helps everybody

1 to have curbside recycling.

2 MR. JOHNSON: And they are moving forward. It's  
3 just moving forward slower than we would like to.

4 CHAIRPERSON MARIN: I know with the manager gone  
5 it's challenging. But if there's anything we can do, we  
6 will help. I don't know how. But it seems to me that  
7 that can be resolved, that the language in that contract  
8 can be resolved. I'm not an expert, but I think that when  
9 there's a will, there's a way. And we would love to work  
10 out something. There needs to be -- I mean, I know  
11 there's contract language, but it would seem to me there  
12 would be willingness from both sides to come to an  
13 agreement on that. I know it's beyond your control, but  
14 maybe we need to touch bases with Livingston.

15 The other thing, on your recycled content, so  
16 right now none of the cities have a recycled content  
17 policy ordinance?

18 MR. JOHNSON: There is an ordinance within our  
19 Association of Governments, but it's more along the lines  
20 of just taking care of recycled paper products, that sort  
21 of thing. It's one that has been in force and effect for  
22 a number of years. Different agencies have different  
23 things. But none of them really cover the types of  
24 materials that we're really looking forward to putting  
25 into a procurement policy.

1           CHAIRPERSON MARIN:   Okay.   Go ahead, Ms. Peace.

2           COMMITTEE MEMBER PEACE:   I just want to say I'm  
3   glad that you are mentioning that you're going to be  
4   trying to implement a C&D policy and, you know, a buy  
5   recycled procurement policy.   And to me, the sooner you  
6   implement those, the better.   The sooner the better.   To  
7   me, a good faith effort includes at minimum a C&D  
8   ordinance and a buy recycled policy.   And I will be  
9   looking at those two things a long with other things, but  
10   those two things in particular for all the jurisdictions  
11   that are requesting a 1066.

12           I'm sure you all realize that the 50 percent  
13   diversion that you're required to get to as mandated in AB  
14   939 can only be sustained if you close the loop by buying  
15   recycled.   And, to me, you're not making a good faith  
16   effort at all if you don't do these two things.

17           And I'm glad you mentioned that you recycle paper  
18   and that you are looking to do more, because it does need  
19   to be more.   You need to be buying recycled content paper  
20   and toner cartridges, along with many other things; using  
21   re-refined oil and recyclable air filters in your City and  
22   County-owned vehicles; using compost and mulch on your  
23   roads and in your parks; using recycled road base, that  
24   will help your C&D; paving your roads with rubberized  
25   asphalt, concrete, or laying rubber sidewalks; using

1 recycled paint on your city and county office buildings  
2 and on your schools. All these things are things that you  
3 can do to help drive the markets for the recycled content  
4 products and that will ultimately help your diversion  
5 rate.

6           And like you did mention, the Board does provide  
7 a green procurement toolbox on its website. It has a  
8 recyclestore.com and a recycled content procurement guide.  
9 And I'm sure if any of the jurisdictions want any more  
10 information on that, our staff will be glad to give you  
11 any more information. And so we have lots of things to  
12 help you find those recycled content products. I'm glad  
13 you're looking at those things, and I'll be watching to  
14 see how soon you can implement those.

15           CHAIRPERSON MARIN: Mr. Johnson, and that's the  
16 way we feel very strongly. The only way that we, as a  
17 state, can achieve the 50 percent diversion rate is if  
18 every jurisdiction achieves that on their own. And one of  
19 the things that we really push for -- because we know what  
20 works.

21           We know the institutions that are getting their  
22 50 percent have all of these things already implemented.  
23 We know that works. And the reason why we push for some  
24 of these items and some of us sound like parrots over  
25 here, we're just repeating. And that's because we know.

1 We know that the ones that are successful have done all  
2 these things. And the ones that are not yet there need to  
3 do some of these things.

4 So it's not an admonishment, but rather a real  
5 desire to help you reach your mandate. And when you reach  
6 your mandate, we reach ours. So please take that in the  
7 spirit that it's being given. We will help you. We have  
8 staff that is willing to come in and work with the local  
9 cities so they, in fact, adopt these ordinances. But the  
10 County has to be there. The county itself, regardless of  
11 the ESJPA, you must show. You must take the lead. And so  
12 what Ms. Peace is saying, all of those things that need to  
13 be done, you know, you lead by example. So we would  
14 appreciate it if you're not doing some of those things,  
15 that the county does it themselves. Okay.

16 MR. JOHNSON: Yes.

17 CHAIRPERSON MARIN: Thank you so very kindly for  
18 your time.

19 Mr. Washington. No questions.

20 COMMITTEE MEMBER WASHINGTON: Move adoption of  
21 Resolution 2005-249.

22 CHAIRPERSON MARIN: Thank you.

23 COMMITTEE MEMBER PEACE: Second.

24 CHAIRPERSON MARIN: Moved and seconded. Without  
25 objection, that will be the pleasure. And we will put

1 this item on consent.

2 Next item, 20.

3 DEPUTY DIRECTOR SCHIAVO: Is Consideration of the  
4 Application for an SB1066 Time Extension by the City of  
5 Hesperia, San Bernardino County. Yasmin will present this  
6 one also.

7 MS. SATTER: The City of Hesperia has requested a  
8 first SB1066 Time Extension through December 31st, 2005,  
9 to provide it with additional time to implement the  
10 programs in its Plan of Correction.

11 Staff's analysis of their request is that it is  
12 reasonable given the barriers the City is facing. Board  
13 staff has determined the information submitted in the  
14 application has been adequately documented and recommends  
15 the Board approve the City's time extension request. The  
16 City's representative are present to answer any questions  
17 you may have. This concludes my presentation. Thank you.

18 CHAIRPERSON MARIN: Thank you, Yasmin. Who's  
19 here from the City? Is it Julie or Kim or Henry?

20 MS. SUMMERS: They're all here. Hello. My name  
21 is Kim Summers, and I'm the Manager of Recycling for the  
22 City of Hesperia.

23 And I just want to assure you that the City of  
24 Hesperia is committed to once again retaining our  
25 50 percent diversion rate, and not only achieving that,

1 but staying above it in the future. We are one of those  
2 cities that's facing unprecedented growth. Our building  
3 permits are up 91.6 percent. We recognize that C&D is a  
4 very large challenge for us.

5           We have met with our Council. We have their full  
6 support to move forward with implementing new C&D programs  
7 and a new C&D ordinance. They've committed resources in  
8 staffing as of yesterday. We have our first full-time  
9 environmental programs coordinator. So we're very pleased  
10 with that. And we have a very good relationship with our  
11 waste hauler. So all of the components are in place to  
12 move forward to address C&D waste at this time. And we  
13 think that we have some good plans in place to do that.

14           Also with regards to procurement, the City has a  
15 long history of not only buying recycled, but recycling  
16 our waste as well. We try to be an example to our other  
17 agencies within the city. Some of the things that we do  
18 is we do reuse our road base and recycle our concrete. We  
19 recycle our still water meters in still pipeline. We have  
20 a coffee mug program that we use with all City employees.  
21 We have purchased hybrid pool cars for our employees. We  
22 are going towards a paperless agenda.

23           We also use grass cycling at all of our  
24 facilities. We have a mixed paper program. All of the  
25 City's mixed paper is recycled through our waste hauler.

1 We also auction off all of our surplus items for reuse.

2 And we purchase recycled paper whenever possible and use  
3 recycled toner cartridges.

4 CHAIRPERSON MARIN: You probably don't know that,  
5 but that's music to our ears, especially with Ms. Peace.  
6 You're singing a song to her. Okay.

7 COMMITTEE MEMBER WASHINGTON: You do all that,  
8 but you don't require your residents to recycle out of the  
9 garbage. They can still put their recyclables in the same  
10 trash can.

11 MS. SUMMERS: We have a materials recovery  
12 facility. And so our items are taken and sorted at that  
13 facility. But we do have a separate green waste bin  
14 that's put out for green waste in targeted areas, and then  
15 we've introduced a mixed paper program with a separate  
16 waste wooter for that one also.

17 COMMITTEE MEMBER WASHINGTON: That's in the city  
18 itself?

19 MS. SUMMERS: Yes.

20 COMMITTEE MEMBER WASHINGTON: I might come by  
21 there tomorrow. I'm going to Victorville Landfill  
22 tomorrow.

23 MS. SUMMERS: Come by and see us. We'll be back.

24 CHAIRPERSON MARIN: What would it take to get a  
25 blue bin? We've seen blue bins throughout the L.A. County

1 area. Why wouldn't you have that for your residents?

2 What is stopping you from that?

3 MS. SUMMERS: Prior to my being with the City, a  
4 previous Council had moved to going the direction of  
5 helping our waste hauler with the material recovery  
6 facility. The Council at that time believed that that was  
7 the best way to achieve the highest rate of diversion.

8 And so we have reached our 50 percent, and we've  
9 looked at all of our programs. And I think our C&D is our  
10 largest issue at the moment. But, again, we are looking  
11 at ways to capture more mixed paper, which is a very large  
12 component.

13 CHAIRPERSON MARIN: Do you have an ordinance for  
14 construction and demolition?

15 MS. SUMMERS: We are working on that.

16 CHAIRPERSON MARIN: When will that be adopted?

17 MS. SUMMERS: By the end of the year, I hope.

18 CHAIRPERSON MARIN: How many months is that?

19 Four. You can do better than that.

20 MS. SUMMERS: Well, we discussed it with our  
21 Council, and they are supportive of it. We'd like to hold  
22 some workshops with our construction industry and our  
23 waste hauler and have public workshops with our --

24 CHAIRPERSON MARIN: Mr. Washington will go in and  
25 meet with the Mayor himself, bang him on the head, and

1 say, "You will have a C&D ordinance."

2 COMMITTEE MEMBER WASHINGTON: At least an  
3 emergency one, if nothing else. We sit here and laugh  
4 about it, but as you know and you've been listening in,  
5 we're very serious about this.

6 And the thing that scares me is to have a  
7 workshops with the haulers -- I don't know what the  
8 purpose of the workshop is, because the City itself, the  
9 municipality, is the one who we charged with that  
10 responsibility. So whether they agree with you or not,  
11 it's something you need to put in place, regardless. And  
12 it's certainly fine to have workshop with them, and I  
13 guess to bring them up to date as to which direction you  
14 guys are going in, but certainly if you guys can go -- and  
15 I will come by there tomorrow.

16 I'm serious about that, to talk to the Mayor, the  
17 City Manager, whoever I need to talk to to say, "Hey, run  
18 an emergency C&D reg or put something in place to show  
19 some good faith that you guys are really going forward  
20 with this."

21 MS. SUMMERS: We do have the support of our waste  
22 hauler with our C&D ordinance. Our problem has been more  
23 we're geographically a very large city. We have a very  
24 small staff. And we're just now kind of turning that  
25 corner where we have resources and staffing to dedicate to

1 this issue. So we're kind of turning a corner.

2 COMMITTEE MEMBER WASHINGTON: She looks like  
3 she's ready to go to work, too.

4 MS. SUMMERS: She is.

5 CHAIRPERSON MARIN: Well, please know that a lot  
6 of the leg work has already been done by many other Cities  
7 that have actually implemented the C&D ordinance. You  
8 don't have to start from scratch. And we actually have a  
9 template in our Board.

10 So, you know, again, I don't want to repeat the  
11 same thing that I said to the other gentleman, but you  
12 know what we're looking for. We really appreciate what  
13 you're doing to make that good faith effort. And we want  
14 you to succeed. You know, it's in our best interest that  
15 you succeed. We'll provide you the tools. We have  
16 wonderful staff that will hold you by the hand, step by  
17 step. And we want you to achieve beyond your mandate.  
18 Okay.

19 With that, is there a motion?

20 COMMITTEE MEMBER WASHINGTON: Madam Chair, I'd  
21 like to move adoption of Resolution 2005-250.

22 COMMITTEE MEMBER PEACE: Second.

23 CHAIRPERSON MARIN: Moved and seconded. Without  
24 objection, that will be the pleasure of this Committee.  
25 And we'll place that item on consent.

1           Next item is Item 22.

2           DEPUTY DIRECTOR SCHIAVO: This is Consideration  
3 of the Application for an SB1066 Time Extension by the  
4 City of California City in Kern County. And Nikki  
5 Mizwinski will present this item.

6           CHAIRPERSON MARIN: Okay, Nikki.

7           MS. MIZWINSKI: Good morning, Madam Chair,  
8 members of the Board.

9           Board staff has reviewed and verified the City of  
10 California City's request for a first time extension to  
11 meet their AB 939 goals and are recommending approval of  
12 this agenda item. Representatives from the City could not  
13 be present today to answer your questions. However, we  
14 are here. This concludes my presentation.

15          CHAIRPERSON MARIN: Thank you, Nikki.

16          Hold on one second.

17          COMMITTEE MEMBER PEACE: Just stress to the  
18 City -- you put it that you recommend they have a  
19 procurement policy. And I hope you stress to them how  
20 important that is.

21          MS. MIZWINSKI: Yes, they did. They will do a  
22 formal procurement policy. Right now, they have a policy,  
23 but it is informal.

24          They asked me to let you know they are very sorry  
25 they had a schedule conflict and could not be here.

1           CHAIRPERSON MARIN: I'm trying to look at  
2 something really quick.

3           COMMITTEE MEMBER WASHINGTON: Nikki, there's a  
4 prison down there?

5           MS. MIZWINSKI: Yes.

6           COMMITTEE MEMBER WASHINGTON: Are they doing  
7 something with recycling with that prison?

8           MS. MIZWINSKI: Indeed, they are. All the green  
9 waste in the prison is being composed and used at the  
10 prison garden. And each month I receive a tonnage report  
11 from the prison. It's being recycled; plastic, glass,  
12 paper.

13          CHAIRPERSON MARIN: Any further questions, Ms.  
14 Peace?

15          COMMITTEE MEMBER PEACE: No.

16          CHAIRPERSON MARIN: I know that at one point they  
17 were really doing very well. And then it went down and  
18 now it's going a little bit up. Is it the construction  
19 and demolition? What was happening?

20          MS. MIZWINSKI: What's going on there? The  
21 entire City's waste stream is running through the Bins  
22 MRF. However, when the prison came in, the City thought  
23 its waste stream would run through the Bins MRP. That was  
24 incorrect. The City did not specify that.

25          We then realized with the City that it was not

1 going through the MRF and quickly made changes to make  
2 sure that the prison's waste stream was being recycled to  
3 the maximum extent possible. And it's not due to C&D.  
4 There are several C&D facilities within range of the city.  
5 The closest one is the bins MRF. C&D materials are  
6 accepted free and recycled. They're actually sorted twice  
7 on the MRF line at bins.

8 MS. WILLMON: Tabettha Willmon with the Office of  
9 Local Assistance.

10 That's actually what the whole 1066 is for, to  
11 continue working with the prison. Because it was in 2000  
12 the prison came on line. They had been up in the 60s.  
13 That's when we saw their rates drop. So this is in  
14 response to that. They've actually acted very responsibly  
15 and implemented prison programs. So we're confident their  
16 diversion rate will be going up.

17 CHAIRPERSON MARIN: Do you know if the prisons  
18 are part of the state; right?

19 MS. MIZWINSKI: No. It's a private prison,  
20 actually. However, I've talked to the prison warden, and  
21 he is very willing to do recycling. I'd say I talk to him  
22 at least once a month about what he can do to recycle.  
23 He's always calling me.

24 DEPUTY DIRECTOR SCHIAVO: Most of the prisons,  
25 private or the public, have been very successful with

1 implementation. Their diversion rate overall, the prison  
2 system is about 60 percent. And, again, the focus of the  
3 1066 is to get at the organic fraction. And, you know, so  
4 we feel pretty comfortable they will, based on the history  
5 of the other institutions.

6 CHAIRPERSON MARIN: Okay. So how new is this  
7 prison?

8 DEPUTY DIRECTOR SCHIAVO: 2000.

9 CHAIRPERSON MARIN: 2000. Okay.

10 COMMITTEE MEMBER WASHINGTON: What's the  
11 population of it?

12 MS. MIZWINSKI: It's one-third of the population  
13 of the city.

14 CHAIRPERSON MARIN: Okay. Are there any further  
15 questions?

16 COMMITTEE MEMBER PEACE: I'd like to move  
17 Resolution 2005-127.

18 COMMITTEE MEMBER WASHINGTON: Second.

19 CHAIRPERSON MARIN: Moved and seconded with the  
20 pleasure this Committee. And we'll put this item on  
21 consent.

22 Let's go to Item 23.

23 DEPUTY DIRECTOR SCHIAVO: Nikki will present this  
24 item as well. This is Consideration of the Completion of  
25 Compliance Order IWMA BR03-01 for the City of McFarland in

1 Kern County.

2 MS. MIZWINSKI: In January of 2003, the City of  
3 McFarland was issued a Compliance Order to implement the  
4 additional or expand existing source reduction and  
5 recycling programs. The City and Board staff then worked  
6 together to establish a Local Assistance Plan.

7 In July of 2004, because the City had failed to  
8 demonstrate a good faith effort to implement the majority  
9 of the specific tasks listed in their Local Assistance  
10 Plan, the Board imposed administrative penalties against  
11 the City of McFarland pursuant to the compliance order.  
12 The City has since successfully implemented all of the  
13 programs in their Local Assistance Plan. Therefore, it is  
14 staff's recommendation that the Board remove the City from  
15 Compliance Order BR03-01.

16 Additionally, Board staff have reviewed and  
17 verified the City of McFarland's request for a first time  
18 extension to meet their AB 939 goal and are recommending  
19 approval of that agenda item. Representatives from the  
20 City are here to answer any questions.

21 This concludes my presentation.

22 CHAIRPERSON MARIN: Thank you. Anthony Lopez  
23 from the City of McFarland.

24 MR. LOPEZ: Good morning. How are you.

25 CHAIRPERSON MARIN: Happy to see you again, sir.

1 How are you?

2 MR. LOPEZ: Very well. Thank you. I just wanted  
3 to come here real quick. When the word successfully is  
4 implied here, I really want to really thank the Board. I  
5 want to thank the staff members, especially Nikki and  
6 Tabatha. And if you have any questions regarding the  
7 activities, the success really also goes to Mario. He's  
8 our Recycle Coordinator. He's been on the job now a  
9 little over a year.

10 We went ahead and hired a consultant. We heard  
11 about the consultant at one of your workshops on C&D. She  
12 was the speaker there. And Mario made me aware of it. So  
13 Constant Hornick is here also, and she's our consultant.  
14 And she's referred to as the trash attorney, because she  
15 specializes in that. And we thought that we need to get  
16 everything up and straightened out. But I want to thank  
17 the Board sincerely because I'll be leaving soon.

18 COMMITTEE MEMBER WASHINGTON: Where are you  
19 going?

20 MR. LOPEZ: Well, you know, I'm proud to say --

21 CHAIRPERSON MARIN: You just got in there.

22 MR. LOPEZ: I'm proud to say the City doesn't  
23 have the Grand Jury problems any more. The budget is in  
24 the black, so it's time to -- within five months.

25 But these are the individuals really that

1 everything has turned around, thank God. Thank you.

2 CHAIRPERSON MARIN: No. I appreciate very, very  
3 much you being here. I remember when you came the first  
4 time. And, you know, when you were speaking about using  
5 the word success, it just gave me the chills, because I  
6 remember the first time you came. It was anything but  
7 success. And it's truly amazing, you know. I appreciate  
8 the fact that you were in a situation that was very  
9 difficult and came out with flying colors. We asked you  
10 to do a number of things. They have all been done. And  
11 we really appreciate that.

12 And I want you to know that aside from it being a  
13 legal mandate, and there was a desire to really do  
14 something good, and you did it. And, you know, I just  
15 feel very warm about it. And I think this points to other  
16 jurisdictions that are not doing so great, it can be done.  
17 But you have to have the willingness to do it and you've  
18 demonstrated that. We wish you --

19 MR. LOPEZ: Really, if it wasn't also for the  
20 support of the mayor and the Council in allowing us to  
21 proceed and -- excuse the phrase -- being gutsy and  
22 allowing us to implement the C&D and other activities and  
23 such, because those are not popular decisions. But  
24 they're necessary. Thank you, all.

25 CHAIRPERSON MARIN: We thank you. You've done an

1 outstanding job, and we really appreciate it.

2 COMMITTEE MEMBER WASHINGTON: And, Madam Chair, I  
3 certainly believe the City of McFarland ought to be the  
4 poster child for this year in terms of a city, I do, in  
5 terms of municipality.

6 Those who are listening by way of the computers  
7 and audio sounds that those who are having some problems  
8 should contact the City itself and really try to figure it  
9 out, because you guys had some serious issues and you've  
10 completed that. And I think that says value in terms of  
11 your commitment to get the job done. And I, too, want to  
12 echo and attach myself to the comments of our Chair our  
13 greatful gratitude for what you guys have done.

14 CHAIRPERSON MARIN: We want to keep your feet to  
15 the fire with the extension with the SB1066, and I know  
16 Mario will continue to do a great job. I understand you  
17 were a great find, so I think you're a keeper now.

18 MR. LOPEZ: Thank you.

19 CHAIRPERSON MARIN: Thank you. Is there a  
20 motion?

21 COMMITTEE MEMBER PEACE: So good to see. Good  
22 work. I'm glad to see you're doing a new base year  
23 because your base year is quite old.

24 With that, I'd like to move Resolution Number  
25 2005-258 and 259.

1 COMMITTEE MEMBER WASHINGTON: Second.

2 CHAIRPERSON MARIN: Moved and seconded. Without  
3 objection, that will be the pleasure. And we'll put both  
4 items on consent and we really don't want to see you. No,  
5 we do. Welcome again, and thank you so very much.

6 All right. Let's do Item Number 25.

7 DEPUTY DIRECTOR SCHIAVO: Nikki is on the hook  
8 for this one as well. This is Consideration of the  
9 Application for an SB1066 Time Extension by the City of  
10 Buellton in Santa Barbara County.

11 CHAIRPERSON MARIN: Okay.

12 MS. MIZWINSKI: Board staff has reviewed and  
13 verified the City of Buellton's request for a time  
14 extension to meet their AB 939 goal and are recommending  
15 approval of this agenda item. Representative from the  
16 City is here to answer any questions.

17 This concludes my presentation.

18 CHAIRPERSON MARIN: Thank you, Nikki.

19 Who's here? Sheri Leigh.

20 MS. LEIGH: Yes.

21 CHAIRPERSON MARIN: How are you then? Thank you  
22 so very much for being here with us today.

23 MS. LEIGH: Thank you for keeping me entertained  
24 for the morning.

25 I'd like to start out by saying the City of

1 Buellton is a relatively new city who started with a high  
2 diversion rate and somehow mysteriously worked our way  
3 down. But we are attributing that to a building boom.  
4 The city is almost built out.

5 We are in the process of implementing a C&D  
6 ordinance, same as the other cities before me, which I  
7 know is music to your hearts. We also had a procurement  
8 policy in place for several years now so we plan to  
9 continue that.

10 In addition, we are looking at expanding our  
11 green waste program. We have mandatory green waste for  
12 our residents. And we have some new wineries in the area.  
13 And we have Albertsons which I know is disposing of 200  
14 tons of their organic produce -- but their produce is that  
15 not utilized or purchased pre-consumer per day. So we are  
16 now working with a company in Santa Maria, Ingle and Gray,  
17 to amend these issues and start collecting from the new  
18 wineries and from Albertsons. And we should have these  
19 policies in place no later than the end of the year.

20 CHAIRPERSON MARIN: Okay. That's good.

21 Any questions?

22 Ms. Peace.

23 COMMITTEE MEMBER PEACE: I was glad to hear you  
24 have a procurement policy already. Can you give me some  
25 examples of some things, some recycled content products,

1 that you buy?

2 MS. LEIGH: Absolutely. For the city being small  
3 and relatively isolated in the San Ynez Valley, it has  
4 been working with the County of Santa Barbara to have a  
5 mutual purchasing policy to make the prices more  
6 effective.

7 So we're purchasing recycled content paper,  
8 recycled content plastic items whenever possible, toner  
9 cartridges, paper products that are in the bathrooms, the  
10 paper towels, and rubberized asphalt when possible.  
11 Otherwise, we just regrind the asphalt we pull up from the  
12 streets and relay it. So there's a number of items. And  
13 also we purchased a mulcher, and we've been using the  
14 mulch from our trees back on to city medians and parks.

15 CHAIRPERSON MARIN: Your business, your  
16 commercial program, tell me a little bit about that,  
17 because I think that you have some work to do in that  
18 area.

19 MS. LEIGH: We have a mandatory corrugated  
20 program for our businesses. And then the businesses have  
21 the option of getting a white bin in addition to their  
22 trash so they can -- that material can be taken to a  
23 material recovery facility and segregated out. Some of  
24 them are very small, and it's difficult for them to do  
25 that. It's prohibitive as far as the cost is concerned

1 because they have to rent another bin. But some of the  
2 larger ones, like Pea Soup Andersons and the Post Office,  
3 they have either 300-gallon bins or they have a new  
4 dumpster, but they collect for recovery at the materials  
5 facility. But the corrugated program is mandatory for all  
6 these businesses.

7 CHAIRPERSON MARIN: Okay. Any further questions?

8 COMMITTEE MEMBER WASHINGTON: I understand that  
9 your green waste compost facility is no longer accepting  
10 green waste.

11 MS. LEIGH: Well, we had a compost facility  
12 located within the city limits that was different from our  
13 residential recovery. And a lot of the local businesses  
14 were taking compost there. They ended up with a -- I'm  
15 sorry -- not compost, but green waste to be composted.  
16 They ended up with limitations in the materials they could  
17 accept. And because other cities -- not other cities, but  
18 they were getting material from out of town that was a  
19 more economically -- an economic benefit to them, they  
20 decided not to take materials from within the City of  
21 Buellton any longer. So I think that hurt our diversion  
22 effort considerably.

23 COMMITTEE MEMBER WASHINGTON: Right. I'm glad  
24 you said that, because it's in the best interest of the  
25 city to keep that green waste diversion going to help with

1 your numbers.

2 MS. LEIGH: Absolutely. And that's why our  
3 efforts with Ingle and Gray are so important right now,  
4 because we see that as a new avenue that will be more  
5 beneficial to us in the long run.

6 COMMITTEE MEMBER WASHINGTON: Madam Chair, I'd  
7 like to move adoption of Resolution 2005-256.

8 COMMITTEE MEMBER PEACE: Second.

9 CHAIRPERSON MARIN: Moved and seconded. We'll  
10 substitute the previous roll and we'll place the item on  
11 consent.

12 Item Number 26.

13 DEPUTY DIRECTOR SCHIAVO: Twenty-six is  
14 Consideration of a Request to Change the Base Year to 2000  
15 for the Previously Approved Source Reduction and Recycling  
16 Element for the City of Santa Paula, Ventura County. And  
17 Tara Gauthier will present this item.

18 MS. GAUTHIER: Good morning, Committee members.

19 The City of Santa Paula has requested to change  
20 its base year from 1990 to 2000 using the data from the  
21 previously approved year 2000 generation based study. The  
22 City originally submitted a new base year change request  
23 for the diversion rate of 37 percent for 2000. As part of  
24 the base year study review, Board staff conducted site  
25 visits to verify diversion tonnage claimed.

1           As a result, staff is recommending some changes.  
2   These changes can be seen in their entirety in Attachment  
3   4 of this agenda item. With these changes, the City's  
4   diversion rate for the 2000 new base year would be 30  
5   percent; 32 percent for 2001; and 36 percent for 2002; 39  
6   percent for 2003. Board staff has determined that the  
7   base year change request is adequately documented. Staff,  
8   therefore, recommends the Board adopt Option 2. A  
9   representative from the City of Santa Paula is present to  
10   answer any questions.

11           This concludes my presentation.

12           CHAIRPERSON MARIN: Okay. Thank you.

13           Are there any questions? No questions.

14           COMMITTEE MEMBER PEACE: I'll have questions on  
15   the next item.

16           CHAIRPERSON MARIN: Okay. The City of Santa  
17   Paula, anybody who is here, thank you so very much for  
18   being here. You've got away free. How's that? Thank  
19   you.

20           COMMITTEE MEMBER WASHINGTON: Madam Chair, I'd  
21   like to move adoption of Resolution 2005-260, Option 2.

22           COMMITTEE MEMBER PEACE: Second.

23           CHAIRPERSON MARIN: Moved and seconded. Without  
24   objection, that will be the pleasure of this Committee.  
25   And our thanks to Renee Salas for being here. We'll place

1 this item also on consent. So you don't have to come to  
2 the Board meeting.

3 Item 27.

4 DEPUTY DIRECTOR SCHIAVO: They're not scott free.  
5 They're part of this item. Consideration of a Second  
6 SB1066 Time Extension by the Following Jurisdictions:  
7 City of Delano in Kern County and the City of Santa Paula  
8 in Ventura County. And Tara is going to present this item  
9 also.

10 CHAIRPERSON MARIN: Go ahead.

11 MS. GAUTHIER: Thank you.

12 The Cities of Delano and Santa Paula first time  
13 extensions have ended. And despite their efforts to meet  
14 the time lines in the first Plans of Corrections, they  
15 need additional time to implement programs. Board staff  
16 has reviewed and verified the Citys' requests for second  
17 time extensions to meet the AB 939 goal and are  
18 recommending approval of this agenda item.

19 Representatives from the Cities are here to  
20 answer any questions.

21 This concludes my presentation on this item.  
22 Thank you.

23 CHAIRPERSON MARIN: Okay. Let's take Delano  
24 first. Anybody here from the City of Delano? John  
25 Wankum, would that be you?

1           MR. WANKUM: Yes. I'm John Wankum, Public Works  
2 Director for the City of Delano. And I'd be happy to  
3 answer your questions or give a brief overview of our next  
4 steps.

5           CHAIRPERSON MARIN: Okay. Do you want to listen  
6 to what he intends to do first before we drill you? No.  
7 We're actually really nice. Go ahead.

8           MR. WANKUM: I'm sure you are.

9           CHAIRPERSON MARIN: Go ahead. Okay.

10          MR. WANKUM: It's my understanding the city's  
11 diversion rate has fallen somewhat to 46 percent. We are  
12 in the process of implementing a -- we're looking at a C&D  
13 ordinance, and we will also be extending our recycling  
14 programs to include businesses and schools. We've also  
15 had some difficulties in past years due to contamination  
16 issues which we are now in the process of resolving,  
17 mainly by increasing our level of public information.

18          I'd like to add this is my first year on the job  
19 there, so there has been turnover of staff and council as  
20 well. I believe it is now a much more -- I think these  
21 issues will be addressed very directly and immediately.

22          CHAIRPERSON MARIN: Okay. Do you have any  
23 specific questions for City of Delano?

24          COMMITTEE MEMBER PEACE: I don't see anything  
25 about a C&D ordinance. Do you already have one, or do you

1 feel like you don't need one?

2 MR. WANKUM: We don't have one yet. We are in  
3 the process of developing one. There are C&D disposal  
4 outlets for recycling available both at the nearby  
5 transfer station and at the landfill. But we will be  
6 looking at a model ordinance here within the next month.

7 COMMITTEE MEMBER PEACE: Do you have a buy  
8 recycled procurement policy?

9 MR. WANKUM: Yes, we do. We have tires, motor  
10 oil, and paper.

11 COMMITTEE MEMBER PEACE: Thank you.

12 CHAIRPERSON MARIN: Okay. Is there a motion?  
13 One more question.

14 COMMITTEE MEMBER WASHINGTON: One more question.  
15 Do you guys have a state prison in your city?

16 MR. WANKUM: We now have two.

17 CHAIRPERSON MARIN: Oh.

18 COMMITTEE MEMBER WASHINGTON: You have two state  
19 prisons?

20 MR. WANKUM: As of two months ago.

21 COMMITTEE MEMBER WASHINGTON: And do you guys  
22 work with the prison itself in terms of their waste? How  
23 do you guys work together with these two prisons?

24 MR. WANKUM: We are the contract haulers for the  
25 prison. I believe they have their own on-site green waste

1 program. But what we do there, normal refuse and recycle  
2 pickup as part of our programs.

3 COMMITTEE MEMBER WASHINGTON: Oh, good.

4 CHAIRPERSON MARIN: On both; right? On both  
5 prisons?

6 MR. WANKUM: I believe so.

7 CHAIRPERSON MARIN: All right.

8 COMMITTEE MEMBER WASHINGTON: Madam Chair.

9 CHAIRPERSON MARIN: Let me now take the City of  
10 Santa Paula. Thank you very much for being here with us.  
11 Okay. Mr. Salas. We let you easy on the other one.

12 MR. SALAS: Thank you.

13 CHAIRPERSON MARIN: Do you want to tell us a  
14 little bit about why you need an extension?

15 MR. SALAS: Yes. My name is Renee Salas. I'm  
16 Deputy Public Works Director for the City of Santa Paula.

17 We do have a C&D ordinance that was adopted last  
18 year by our City Council, and we just completed one major  
19 component of that City ordinance that's going to be a  
20 requirement for the success of this ordinance and process.  
21 And that was a signed contract of our revised franchise  
22 agreements with both our haulers.

23 For the past year, we've been negotiating with  
24 both haulers for a revised agreement that would put  
25 language in a new C&D ordinance. And I'm glad to say last

1 week both of them had signed the agreement to --  
2 preferably to our needs for the City of Santa Paula to our  
3 language.

4 CHAIRPERSON MARIN: Does that include the  
5 multi-family residential?

6 MR. SALAS: Yes, it does.

7 CHAIRPERSON MARIN: Oh, great. Oh, good. Both  
8 haulers?

9 MR. SALAS: Both haulers. It was a big hurdle  
10 for us, and successfully completed it last week. And that  
11 was one component that was needed for our C&D ordinance to  
12 make sure it's carried out.

13 We do have a procurement policy that addresses  
14 purchases. It is a policy that basically identifies steps  
15 and measures for -- we call it environmentally preferable  
16 purchases. And some of the things that we review are the  
17 price and the type of project. And to our surprise, some  
18 of the items that we do purchase are very competitive in  
19 price.

20 One thing that we recently did is, as part of our  
21 revitalization of our veterans park, we purchased benches  
22 and trash receptacles that were made of 90 percent  
23 recyclable items. We have seven benches and 12  
24 receptacles for that project, and we are completing our  
25 master plan for our parks this fiscal year which goes into

1 next year.

2           And we are identifying items for that as well  
3 that include not just receptacles, but play equipment,  
4 preferably tot lots, and also using recyclable materials  
5 for rubberized asphalt type for those items as well. We  
6 see this as a good opportunity because we do have a lot of  
7 development coming in in the next couple years, and we  
8 need to identify these development fees for those projects  
9 as well.

10           We have a successful three-bin recycling program  
11 for our residential customers. We have approximately 4800  
12 residential customers. It was first started in 2001.  
13 It's household trash, green waste, and recyclable  
14 containers. Both are oversized, they're 100-gallons.

15           And our drivers do an excellent job in promoting  
16 recycling and making sure that customers understand what's  
17 recyclable and not recyclable. And some of the ways they  
18 do that is they won't pick it up if they see contamination  
19 in the can. And you get calls, and we explain the reason  
20 why we don't pick them up is they're contaminated. And  
21 now we charge them a fee as a go-back fee if they want it  
22 that same day, because that's an added burden for us on  
23 overhead.

24           And we continue a lot of our successful programs  
25 for education of the city residents on recyclables. We

1 have this recycling guide that we've enacted. This is our  
2 fourth year we've done this, and it's both in English and  
3 Spanish. We actually have English, and then you turn  
4 around it's in Spanish. It's very successful. It  
5 promotes all our recycling programs. And we also included  
6 last year a magnet that shows our schedule for recycling  
7 and also our quarterly drop-off bins that we have that are  
8 successful in the community.

9 CHAIRPERSON MARIN: Now let me just -- because  
10 you were talking about construction/demolition. And I  
11 interjected about your program for your multi-family  
12 program. Your contractors agree that that would be a  
13 coming program for the recycling program for the  
14 multi-family?

15 MR. SALAS: Absolutely.

16 CHAIRPERSON MARIN: I just want -- we were  
17 talking about construction and demolition and then I  
18 jumped in. So I want to make sure that's done. Thank you  
19 for that.

20 Any further questions?

21 COMMITTEE MEMBER WASHINGTON: I just have one  
22 question. I notice that you guys do limited green waste.

23 MR. SALAS: We do quite a bit of green waste. We  
24 have -- in fact, this year California Wood, which is a  
25 company that on up a lot closer to accept green waste and

1 it saves open our gas mileage, too, because we were having  
2 to drive past Fillmore. And now it's closer to our  
3 facility.

4 We do trimmings in the parks. The cycle for  
5 those trimmings of the park trees, it's every three years.  
6 So we see a bunch one year, and then we don't trim the  
7 trees until the cycle is coming up. All our aggregate --  
8 we could do a better job at identifying what we use the  
9 chips for that we do for all our stuff. I don't think we  
10 quantify all that. We do it on a regular basis, though.  
11 But we need to do a better job quantifying.

12 COMMITTEE MEMBER WASHINGTON: I'm glad to hear  
13 that, because I was just sitting here thinking, being an  
14 ag city is -- you know, you guys are that -- that would be  
15 a huge part of your program for your green waste. So good  
16 to know that. Thank you.

17 CHAIRPERSON MARIN: Thank you, Mr. Salas.

18 Is there a motion?

19 COMMITTEE MEMBER PEACE: I was just glad to hear  
20 I guess it sounded like you had some problems with  
21 negotiating contracts. And I'm glad to hear that has been  
22 taken care of. It concerned me when I saw you were only  
23 at 39 percent, even with your new base year. So staff  
24 really feels like this Plan of Correction is going to help  
25 them get to 50 percent?

1           DEPUTY DIRECTOR SCHIAVO: The negotiations with  
2 the haulers was a real key.

3           CHAIRPERSON MARIN: Good.

4           COMMITTEE MEMBER PEACE: I'd like to move  
5 Resolution 2005-261.

6           COMMITTEE MEMBER WASHINGTON: Second.

7           CHAIRPERSON MARIN: Moved and seconded. Without  
8 objection, that will be the pleasure of this Committee.  
9 And for sure you don't have to return to the Board. Thank  
10 you.

11           Item Number 28 now.

12           DEPUTY DIRECTOR SCHIAVO: Item 28 is  
13 Consideration of the Application for an SB1066 Time  
14 Extension by the City of Newport Beach. And Melissa  
15 Vargas will present this item.

16           CHAIRPERSON MARIN: Thank you, Melissa.

17           MS. VARGAS: Good morning, Committee members.  
18 Board staff has reviewed and verified the City's request  
19 for a time extension to meet their AB 939 goal and are  
20 recommending approval of their request. A representative  
21 from the City of Newport Beach is present to answer any  
22 questions.

23           This concludes my presentation.

24           CHAIRPERSON MARIN: Okay. Is that Mr. Mike  
25 Pisani? Yes. Excellent. Thank you so very much for

1 being here with us today. And tell us why you think we  
2 should give you this extension.

3 MR. PISANI: The City of Newport Beach a little  
4 unique. We're the only city in Orange County that  
5 collects its own refuse. We do about 80 percent of the  
6 residential properties. The areas we've annexed from the  
7 county in the last five years are collected under  
8 contract.

9 One of the reasons we dropped from 52 percent in  
10 '02 to 48 percent in 2003 was that the Newport Coast  
11 contractor, Waste Management of Orange County, without  
12 letting us know, no longer took the waste that's  
13 non-recyclable waste to the MRF Recovery Facility in Long  
14 Beach. So we stopped getting transformation credit. They  
15 have since been doing that again. As when we prepared  
16 this report this year, that's when we found out. We  
17 investigated why our tonnage had risen. On the  
18 construction/demolition side --

19 CHAIRPERSON MARIN: Let me just stop. I thought  
20 is that -- is that what happens, the credits are given to  
21 the individual cities?

22 DEPUTY DIRECTOR SCHIAVO: Up to 10 percentage  
23 points.

24 CHAIRPERSON MARIN: Okay. I thought the City of  
25 Long Beach was the one that would get all of that.

1           DEPUTY DIRECTOR SCHIAVO: No. It's where it's  
2 generated from. Again, it's up to 10 percent. So you'll  
3 see, you know, 2, 3, 4, 5 percent.

4           CHAIRPERSON MARIN: Okay. All right. Great.  
5 Okay.

6           MR. PISANI: And then also gave us an awakening  
7 that we needed to be more vigilant on the haulers. And we  
8 can't always, you know, depend on them to do the right  
9 thing and keep the programs up. So we need to watch.

10           On a construction and demolition side, in 2003,  
11 with the large-scale tear downs and rebuilding of  
12 residential properties in the city, we strengthened our  
13 C&D ordinance. We instituted a program that requires a  
14 \$500 to \$1500 deposit with the City at the time the  
15 building permit is issued. The contractor must call our  
16 General Services Department staff, not the Building  
17 Department, but our own staff when they're going to demo a  
18 property within 24 to 48 hours before this is done. We  
19 then send a staff member out whatever day that's going to  
20 occur and verify that the hauler -- that the contractor is  
21 using a licensed hauler for the City.

22           Another thing that makes the City of Newport  
23 Beach unique is we have 26 contract haulers under our  
24 non-exclusive franchise. That's quite a lot for a small  
25 municipality. But roughly 15 of them are straight demo

1 haulers with end dumps that are doing these houses. It's  
2 big money in the city. Currently, in Newport Beach, we  
3 had 125 full-scale tear downs in the first eight months of  
4 this year. In a city our size, that's a lot. People tear  
5 down small houses and basically build mansions.

6 COMMITTEE MEMBER WASHINGTON: I know, I mean,  
7 really.

8 MR. PISANI: I don't live there.

9 But, actually, in 2003, when we initiated the  
10 practice, we were having major issues with unauthorized  
11 haulers because home tear-down takes roughly four hours to  
12 do. They would get end dump companies coming in that  
13 weren't licensed and were hauling straight to the  
14 landfill. Now that we verify people wanting to get their  
15 deposit back, it's stopped that practice considerably. We  
16 had the ability to red tag properties that they fill out  
17 on their initial demo application if they're going to use  
18 the franchises hauler, but then we see they're not using  
19 them. So it's been quite successful and we're capturing  
20 the C&D waste.

21 CHAIRPERSON MARIN: Good.

22 MR. PISANI: We do not have a formal procurement  
23 policy.

24 CHAIRPERSON MARIN: Oh, you're going to have one  
25 before you leave.

1           MR. PISANI: We were visited by Melissa last  
2 month, and she urged us to get one real quick.

3           COMMITTEE MEMBER WASHINGTON: Good for you.

4           MR. PISANI: She's doing the Board's work. No.

5           We have talked to our City Manager, and we're in  
6 the process of doing a Council policy for that. The City  
7 has had an informal kind of procurement practice, recycled  
8 paper products, offices, and rest rooms, recapped heavy  
9 truck tires. We've used plastic lumber for piers, floats,  
10 dock and hand railing repairs. That seems to last really  
11 well in the marine environment. We purchased back road  
12 base from the place we take our concrete and asphalt  
13 waste. We purchased back mulch from where we take our  
14 green waste. We use recycled paint in beach park rest  
15 rooms. All will be formalized in our policy for the next  
16 month.

17          CHAIRPERSON MARIN: See. The next month.

18          MR. PISANI: One final thing we're doing is it's  
19 not on our Plan of Correction, but we're working with the  
20 County of Orange. There's a problem with large cash  
21 transactions and the way they're being allocated to  
22 cities. In the first five months of this year, we had  
23 9,000 tons allocated to us and we don't know who hauled  
24 them.

25          The County of Orange, basically if someone pays

1 cash, no matter how big or small and they don't have the  
2 dump sticker, they can be weighed back out. And those  
3 9,000 tons were 863 loads. So it's like 11 tons a load  
4 that we don't know where they're coming from, what the  
5 company is, and they just say trash came from Newport  
6 Beach. So it's a large amount of trash for five months  
7 that we're being traded.

8           So we have a consultant, as in Costa Mesa, the  
9 same consultant that brought that to our attention. So  
10 we've met with Sue Gordan who was here earlier and trying  
11 to figure out something, even if they write down license  
12 plate numbers of who's coming in so we can somehow go back  
13 and trace it. But it is coming from Newport Beach,  
14 they're escaping our franchises fees, but we have a  
15 feeling it's not generated in our city.

16           COMMITTEE MEMBER WASHINGTON: It could be any one  
17 of the 400 millionaires you guys have in that city.

18           MR. PISANI: They're not doing their own work  
19 though, at least not in trash.

20           COMMITTEE MEMBER WASHINGTON: You're going to see  
21 a Rolls Royce pulling up.

22           MR. PISANI: That's not even talking about the  
23 normal pickup truck accounts and people that are paying by  
24 the ton.

25           DEPUTY DIRECTOR SCHIAVO: It has an impact of

1 over 10 percent of their total generation tons. So it's a  
2 pretty big impact. And we're going to start working with  
3 them. We already had contact to deal with the cash  
4 account issues.

5 MR. PISANI: Even if it's half of that, take that  
6 4500 tons and allocate it to someone else.

7 CHAIRPERSON MARIN: I'm glad you are on top of  
8 that. I really appreciate that. And thank you to our  
9 staff, for working with you directly.

10 MR. PISANI: We appreciate it.

11 CHAIRPERSON MARIN: Okay. Any further questions  
12 for Mr. Pisani?

13 Is there a motion?

14 COMMITTEE MEMBER PEACE: I'd like to move  
15 Resolution 2005-252.

16 COMMITTEE MEMBER WASHINGTON: Second.

17 CHAIRPERSON MARIN: Moved and seconded. We will  
18 substitute the previous roll call, and we will place this  
19 item on consent.

20 Let me just get a -- we have a time certain at  
21 1:30. I'd much rather go through as much as possible and  
22 maybe just take half an hour lunch. And then I'd like to  
23 work through 1:00, get as much of this agenda done. I'm  
24 going to try to work as much of the agenda as possible,  
25 and then just take a small break, maybe at 1:00, and then

1 at 1:30 come back for the 1:30 time certain.

2 Does anybody need a break right now? We're going  
3 to break right now for about five minutes. And we'll be  
4 right back, and then we'll go through lunch.

5 (Thereupon a recess was taken.)

6 CHAIRPERSON MARIN: Welcome back. Please call  
7 the roll.

8 EXECUTIVE ASSISTANT BAKULICH: Peace?

9 COMMITTEE MEMBER PEACE: Here.

10 EXECUTIVE ASSISTANT BAKULICH: Washington?

11 COMMITTEE MEMBER WASHINGTON: Here.

12 EXECUTIVE ASSISTANT BAKULICH: Marin?

13 CHAIRPERSON MARIN: Here.

14 And any ex partes?

15 COMMITTEE MEMBER PEACE: No. I have none.

16 CHAIRPERSON MARIN: Mr. Washington?

17 COMMITTEE MEMBER WASHINGTON: No, Ma'am.

18 CHAIRPERSON MARIN: Well, that leads us to Item  
19 29.

20 DEPUTY DIRECTOR SCHIAVO: And Terri Edwards will  
21 present this item. And it's Consideration of an  
22 Application for an SB1066 Time Extension by the City of  
23 Los Alamitos in Orange County.

24 CHAIRPERSON MARIN: Okay.

25 MS. EDWARDS: Good afternoon, Committees members.

1           Board staff has reviewed and verified the City's  
2 request for a time extension to meet their AB 939 goal and  
3 are recommending approval of the request. However, due to  
4 limited staff resources, the City was unable to send a  
5 representative. But staff is here to answer questions.

6           This concludes my presentation. Thank you.

7           CHAIRPERSON MARIN: Thank you, Terri. We'd  
8 actually like to talk to somebody. Not that you're not  
9 somebody, Terri.

10          MS. EDWARDS: I understand.

11          CHAIRPERSON MARIN: I meant from the cities.  
12 Because it seems to me that we can really get their  
13 commitment if they're here before us. So especially for  
14 this item. There are some other items that are very  
15 non-controversial and we don't mind that. But I wish they  
16 would have been here. I see their numbers are 48 percent.  
17 So this plan of action, you guys are pretty confident  
18 that --

19          MS. EDWARDS: Yes, we are.

20          CHAIRPERSON MARIN: Okay.

21          COMMITTEE MEMBER PEACE: They're going to have a  
22 C&D and adopt a procurement policy.

23          MS. EDWARDS: Yes. Even though they are  
24 currently purchasing some recycled content products,  
25 they're going to solidify that with a policy.

1 COMMITTEE MEMBER PEACE: I'd like to see the  
2 jurisdictions have a representative here, too. But, I  
3 mean, in this case it is just their first 1066. If it was  
4 a second, I wouldn't like it at all. But since it is a  
5 first one and they are at 48 percent, I'm okay with this  
6 one.

7 CHAIRPERSON MARIN: Okay. Mr. Washington.

8 COMMITTEE MEMBER WASHINGTON: Yes. Again, I just  
9 want to just talk a little bit about they have an Air  
10 Force or some type of National Guard base in the city.

11 MS. EDWARDS: That's the City of Tustin, I  
12 believe.

13 COMMITTEE MEMBER WASHINGTON: No. It's this  
14 city. I've been on the base, that's why I'm asking. And  
15 I just wanted to talk to them a little bit. And I can  
16 probably call them and ask them about their -- I don't  
17 know if there are any connections in terms of -- because  
18 people live on their base. So I was wondering about their  
19 waste and things like that. Do they have their own  
20 contractor for the Army that hauls their stuff for them?  
21 How does that work?

22 BRANCH MANAGER MORALEZ: If it was the State  
23 National Guard, they would have a plan in place for  
24 diversion. If it is a federal facility, then they're not  
25 subject to any of the --

1 COMMITTEE MEMBER WASHINGTON: I think it's state.

2 I attended a graduation ceremony there.

3 DEPUTY DIRECTOR SCHIAVO: If I remember, it was a

4 smaller facility. The race track is the huge facility out

5 there. And I was just trying to think if it was a

6 munitions dump or -- it's relatively small, I know that.

7 I can't recall.

8 COMMITTEE MEMBER WASHINGTON: That's fine. We

9 can call them. That's fine.

10 CHAIRPERSON MARIN: Okay. Without belaboring

11 this, is there a motion?

12 COMMITTEE MEMBER PEACE: I'd like to move

13 Resolution 2005-153.

14 COMMITTEE MEMBER WASHINGTON: Second.

15 CHAIRPERSON MARIN: Moved and seconded.

16 Call the roll.

17 EXECUTIVE ASSISTANT BAKULICH: Peace?

18 COMMITTEE MEMBER PEACE: Aye.

19 EXECUTIVE ASSISTANT BAKULICH: Washington?

20 COMMITTEE MEMBER WASHINGTON: Aye.

21 EXECUTIVE ASSISTANT BAKULICH: Marin?

22 CHAIRPERSON MARIN: Aye.

23 Item Number 30.

24 DEPUTY DIRECTOR SCHIAVO: We'd like to combine

25 Items 30 and 31. And these are Consideration of the

1 Application for SB1066 Time Extensions by the City of San  
2 Bernardino and Loma Linda, both in San Bernardino County.  
3 And Rebecca Brown will present these items.

4 MS. BROWN: Good afternoon, Members.

5 The City of San Bernardino is requesting a first  
6 SB1066 Time Extension through December 31st, 2005, to  
7 provide additional time to implement the programs in its  
8 Plan of Correction. Staff's analysis of their request is  
9 that it is reasonable given the barriers the City is  
10 facing.

11 The City of Loma Linda is requesting a second  
12 SB1066 Time Extension through December 31st, 2005, to  
13 provide additional time as well to implement the programs  
14 in its Plan of Correction. The City's first time  
15 extension has ended. And despite City staff's efforts to  
16 meet the time lines in the first Plan of Correction, they  
17 need additional time to implement programs. Staff's  
18 analysis of their request is that that is reasonable given  
19 the barriers they have faced.

20 Board staff has determined the information  
21 submitted in these applications have been adequately  
22 documented and recommends the Board approve each of the  
23 City's time extension requests. Linda Ceballos is here  
24 representing the City of San Bernardino, and Dennis  
25 Holloway and Eugene Tseng are representing the City of

1 Loma Linda.

2 Be happy to answer any questions. And this  
3 concludes my presentation. Thank you.

4 CHAIRPERSON MARIN: Thank you, Rebecca.

5 We'll take first the City of San Bernardino. And  
6 Ms. Ceballos is here. Thank you very much for being here  
7 with us today. And just go ahead and tell us why we  
8 should grant you the first time extension.

9 MS. CEBALLOS: I just wanted to assure you the  
10 City of San Bernardino is focused on meeting and exceeding  
11 the 50 percent diversion goal. We are in the process of  
12 establishing a C&D ordinance.

13 Some of what we've done in the process of the  
14 ordinance coming into place is we've taken -- we are a  
15 self-haul city, one of three in the county of San  
16 Bernardino. And we are segregating our roll-off loads at  
17 the transfer station right now to determine what's in  
18 them, if there's adequate quantities to divert or if it's  
19 really mixed loads that are going to end up going to the  
20 landfill.

21 We're looking forward to San Bernardino County's  
22 eventual expansion down to the Mid Valley Landfill with  
23 the diversion program there so that we're not having to  
24 hunt and search for facilities that will accept the loads  
25 that we have.

1           The C&D ordinance we're looking at having in  
2 place by the end of this year. We're modeling it after  
3 what City of Ontario and some of the neighboring cities as  
4 well the State model has done. City of Ontario also being  
5 a self-haul, so that we can learn from what they've done  
6 and not recreate the wheel in that respect.

7           The other is the buy recycled procurement policy.  
8 We've had an informal policy in place for a number of  
9 years. We use rubberized asphalt for our paving projects.  
10 Road grinding and concrete is recycled. Our fleet was  
11 certified in 2004 as a green shop, one of four within the  
12 state. So they're doing everything there as far as using  
13 less toxic materials. The City purchases recycled content  
14 paper.

15           What we would like to do with the policy is set a  
16 little bit higher standard. I know right now it varies  
17 especially with office products between 10 to 30 percent  
18 postconsumer waste. We'd like to increase it and do some  
19 selection of items so that they have basically a menu to  
20 choose from, versus everybody kind of looking -- each  
21 office has their own person who's doing purchasing. So  
22 we're looking at that.

23           We've used recycled paint in a variety of  
24 projects, community centers -- repainting community  
25 centers, graffiti paint over. And in addition to those

1 two new programs, we're looking at really going after  
2 contamination in our green waste program for our  
3 residential.

4 We have a three-cart system in place for all of  
5 our residents that we've had in place for a number of  
6 years. The highest contamination, we have a very high  
7 density area we've been trying to focus on where a lot of  
8 times certain routes exceed a 50 percent contamination,  
9 which has been a real issue with the green waste.

10 Our school programs we've had in place for a  
11 number of years. But we're looking to really work with  
12 the schools in reducing the contamination and also adding  
13 some of the new schools. We have several new schools that  
14 are being constructed in the next couple years, making  
15 sure that all of them are up and running with recycling  
16 programs.

17 That also includes the Cal State San Bernardino.  
18 California State University San Bernardino has had a  
19 recycling program in place for a number of years. Valley  
20 College, our community college, has come on board in the  
21 last couple of years. They've been doing a lot of  
22 reconstruction and demolition on the site for earthquake  
23 retrofit. And we've been phasing in the programs as the  
24 new buildings have occurred. We've also tracked all of  
25 their construction debris, and we've worked closely with

1   them being their hauler.

2                   Do you have any questions?

3                   CHAIRPERSON MARIN:   I'm sure we have some  
4   questions.   Ms. Peace.

5                   COMMITTEE MEMBER PEACE:   She covered my  
6   questions.

7                   CHAIRPERSON MARIN:   She's been listening too long  
8   already.   She knows exactly what are the areas we're  
9   looking for.

10                  COMMITTEE MEMBER PEACE:   You said you're going to  
11   put out some more guidelines for your green procurement,  
12   because the buy recycled policy needs to have more than  
13   just recycled paper.   You need to look at recycled paint,  
14   recycled carpet, and mulch, the compost, all of those  
15   different things.

16                  MS. CEBALLOS:   And all those items, all of our  
17   parks and grass cycle, the mulch is used from our trimming  
18   of our trees, our street trees.   That mulch is reused in  
19   the parks, as well as any landscaping projects within the  
20   city.   Our tires are retreaded.   We're doing a lot of the  
21   things informally.   I just was kind of touching on a  
22   couple of the bullet points where we've had a little bit  
23   more success with the higher volumes of use.

24                  COMMITTEE MEMBER PEACE:   Thank you.

25                  CHAIRPERSON MARIN:   Mr. Washington, any

1 questions? No questions.

2 Okay. Is there a motion?

3 COMMITTEE MEMBER PEACE: I'd like to move  
4 Resolution 2005-254.

5 COMMITTEE MEMBER WASHINGTON: Second.

6 CHAIRPERSON MARIN: Mr. Washington, did I hear  
7 you second?

8 COMMITTEE MEMBER WASHINGTON: Yes.

9 CHAIRPERSON MARIN: Moved and seconded. Without  
10 objection, that will be the pleasure of the Committee. We  
11 will put this item on consent.

12 And then City of Loma Linda which has been  
13 presented. Is there a representative? Was it Dennis  
14 Holloway that is here and Eugene Tseng? Thank you so very  
15 much for taking the trip to be with us. Thank you. Your  
16 second time extension, why should we grant it to you?

17 MR. TSENG: Good morning. The first time  
18 extension listed a number of programs which were  
19 completed. The second time extension is required because  
20 in the first time extension we implemented a wet/dry  
21 route, and the wet/dry route did not recover as much as  
22 expected. It covered actually less than 10 percent. With  
23 the city with only about 400 businesses, this route has to  
24 be redesigned primarily because in the first pilot program  
25 a lot of the businesses shared bins and had a lot of

1 contamination, and also included the multi-family.

2           So in this 1066 Extension, we're actually  
3 splitting the multi-family to a second program and then  
4 working with the hauler to have the wet/dry route with the  
5 dry material only from non-shared bins. So it would be  
6 much cleaner and higher recovery.

7           The second reason would be construction and  
8 demolition within the last two years, huge changes to the  
9 general plan. In a very small city, we have 5,000 new  
10 homes being built, and they have a very, very strong C&D  
11 policy for every tentative tract map that comes in is  
12 attached with recycling requirements. And that would be  
13 formalized into a mandatory ordinance at the end of the  
14 year. But it's actually working pretty well. It's a very  
15 small city, and they have very good control over C&D.

16           The third program is for transformation. The  
17 city is currently incinerating about 7 percent of its  
18 waste, and we're going to increase that to 10 percent.  
19 But we actually found out -- and we sent the data to the  
20 Board. Last Friday, we received documentation from the  
21 hauler that the transformation credit was actually  
22 assigned to another city incorrectly. So those are the  
23 three major programs that we're going work on, besides  
24 increasing the source separation program for the other  
25 commercial businesses not in the wet/dry route.

1           CHAIRPERSON MARIN: Okay. So let me understand  
2 this. We approved you to do a program and then it didn't  
3 work as we have all envisioned. How is it going to work  
4 now? You're separating only the multi-family from the  
5 regular businesses?

6           MR. TSENG: Yes. And then for the regular  
7 businesses, because they're primarily small businesses,  
8 they share bins. And if you have a restaurant next to a  
9 real estate office, they mix the waste and it's highly  
10 contaminated and you can't recover the paper. So what  
11 we're trying to do is redesign the wet/dry route so only  
12 the real estate office would have their own bin and then  
13 the restaurant would have their own bin so you would have  
14 a wet/dry route that would actually work.

15          CHAIRPERSON MARIN: Have you heard of unicycling?

16          MR. TSENG: Yeah. That's the Ventura County  
17 program?

18          CHAIRPERSON MARIN: Right.

19          MR. TSENG: Yes.

20          CHAIRPERSON MARIN: Is that something that you  
21 might consider?

22          MR. TSENG: Yes. That's another option that's  
23 being looked at. That's what I referred to as the source  
24 separated program. But you use the residential bins in  
25 the smaller businesses. That's what we're looking at is

1 spitting, instead of using one larger bin, going into  
2 smaller bins.

3 CHAIRPERSON MARIN: Because in unicycling what  
4 they have is all of their recycling -- it's a big bin with  
5 the businesses. It's a huge bin, commercial bin. And  
6 then the wet trash, if you will, is what is actually in  
7 bags. So you're able to just pick up the bag, and  
8 everything else is recyclable. I don't know if that would  
9 be something that would work for you guys.

10 MR. TSENG: They looked at -- it's actually a  
11 variation on what we call the blue bag program. That's  
12 actually been tried and was not successful. So we're  
13 actually going to try the wet/dry route and in the  
14 redesigned configuration that will actually separate the  
15 wet from the dry.

16 CHAIRPERSON MARIN: Okay. Well, you know, we see  
17 all kinds of different programs across the state. And my  
18 desire in suggesting something is to take a look at what  
19 they're doing, how they're doing it. It may also work for  
20 you guys. It may not. But we think that this new program  
21 will lead them the numbers that we really desire.

22 MS. BROWN: Yes. I think they've learned a  
23 considerable amount through their efforts of the first  
24 program and have worked with the hauler. And the hauler  
25 understands the needs and the rerouting issues. And I

1 think this is going to prove to be more successful based  
2 on the past experience.

3 CHAIRPERSON MARIN: Okay. We're looking at some  
4 very significant percentages that we need.

5 COMMITTEE MEMBER PEACE: They were given their  
6 first time extension in 2002, February 2002. It's been  
7 three-and-a-half years, and they're still only at 39  
8 percent. And they're just now saying they're going to  
9 have a C&D ordinance at the end of the year. There's no  
10 mandatory multi-family recycling. The non-residential  
11 generates 72 percent of the waste stream, yet businesses  
12 aren't participating in a diversion program. I just  
13 wonder what kind of good faith effort they have done for  
14 the last three-and-a-half years.

15 MR. TSENG: There is a residential curbside  
16 program and green waste program.

17 COMMITTEE MEMBER PEACE: For multi-family also?

18 MR. TSENG: The multi-family, no. That's part of  
19 the commercial program. That's why we try to run it with  
20 the wet/dry program.

21 COMMITTEE MEMBER PEACE: What have they done  
22 since their first time extension? What was their  
23 diversion rate in 2002 when we gave them their first time  
24 extension?

25 MS. BROWN: The 2002 diversion rate was 35

1 percent.

2           DEPUTY DIRECTOR SCHIAVO: But the reality is when  
3 the first time extension was given to them it was probably  
4 38 percent because it would reflect the year 2002.

5           COMMITTEE MEMBER PEACE: So they've gone up 1  
6 percent in three-and-a-half years.

7           DEPUTY DIRECTOR SCHIAVO: Part of the issue, too,  
8 is their total amount of disposal on a daily basis is 30  
9 tons of disposal per day. It's a small community, so  
10 there's that potential, especially down there in that  
11 region.

12           BRANCH MANAGER MORGAN: Additionally, Board  
13 Member Peace, there have been some allocation issues with  
14 respect to the transformation that are fairly significant.

15           COMMITTEE MEMBER PEACE: That was verified, it  
16 says, up to like 9 percent.

17           BRANCH MANAGER MORGAN: That's just recently. So  
18 we've been spending time trying to -- your point being why  
19 aren't we seeing the diversion increase. And that was a  
20 big part of it. It was being allocated to a different  
21 city. So we've just recently resolved that. That, in and  
22 of itself, is going to put them in a better spot.

23           Additionally, the programs they did focus on in  
24 the first time extension, as Eugene addressed, did take  
25 some time to see what was working and what wasn't working.

1           With respect to the question you had about C&D,  
2 prior to the second time extension, there wasn't much of  
3 any building going on within the city. This is kind of  
4 new within the last, probably, year. And that's why we  
5 asked the City to target that, to address that new waste  
6 stream. So a number of things have changed since the  
7 first time extension, and that's why we're recommending  
8 it.

9           DEPUTY DIRECTOR SCHIAVO: And, again, the 39  
10 percent reflects rates before we could even take into  
11 account the disposal reporting issues that have been  
12 corrected. So we don't know where we are right now.

13           COMMITTEE MEMBER PEACE: Was it a lot of  
14 self-haul errors? What are they trying to try to get a  
15 handle on that?

16           MR. TSENG: There is a tremendous amount of  
17 self-haul errors just because dealing with any type of  
18 increase in construction you have a lot of self-haul and  
19 what we would call bandit haulers. And this is all within  
20 the last one to two years because of the change in the  
21 general plan. That's where the construction boom came in.  
22 It was after the first extension was approved.

23           DEPUTY DIRECTOR SCHIAVO: So, again, we're  
24 looking at 30 tons per day, which is three big truckloads  
25 of --

1 COMMITTEE MEMBER PEACE: So if now there's going  
2 to be 9 percent -- if that waste to energy diversion  
3 credit was attributed to the wrong city, and that will be  
4 taken away from the City of Moreno Valley, what will it do  
5 to their diversion rate?

6 BRANCH MANAGER MORGAN: It will have somewhat of  
7 an impact. They also are on a time extension and have a  
8 higher diversion rate. So with the programs that they  
9 have put in place and are putting in place, they're  
10 prepared to address it. Being that it's the same hauler,  
11 that's really helpful. So they've been working with both  
12 cities.

13 CHAIRPERSON MARIN: Okay. Any further questions  
14 Mr. Washington? No.

15 Ms. Peace? One more.

16 COMMITTEE MEMBER PEACE: Can you tell me what  
17 you're doing in terms of a buy recycled procurement  
18 policy?

19 MR. TSENG: Buy recycled policy was implemented  
20 during the first time extension in 2001. That was  
21 implemented when the City Hall Employee Desktop Recycling  
22 Program was put in. And it primarily paper on paper, but  
23 Public Works and the Maintenance Department, retread  
24 tires, construction, used oil, and construction and  
25 demolition, primarily road based material for Pubic Works

1 roads.

2 COMMITTEE MEMBER PEACE: Thank you.

3 CHAIRPERSON MARIN: Okay. Thank you. Is there a  
4 motion?

5 COMMITTEE MEMBER WASHINGTON: Madam Chair, I'd  
6 like to move adoption of Resolution 2005-267.

7 CHAIRPERSON MARIN: Okay.

8 COMMITTEE MEMBER PEACE: Second.

9 CHAIRPERSON MARIN: Moved and seconded. We'll  
10 substitute the previous roll call and place this item on  
11 consent.

12 This leads us to Item 32.

13 DEPUTY DIRECTOR SCHIAVO: This is Consideration  
14 of a Second Time an Alternative Diversion Requirement  
15 Application by the City of Huron and the City of Mendota  
16 in Fresno County. And John Duke will present this item.

17 CHAIRPERSON MARIN: Hello, John.

18 MR. DUKE: Good afternoon, Madam Chair and  
19 Committee members. The Cities of Huron and Mendota both  
20 have requested a second SB1066 document in the form of an  
21 alternative diversion requirement, or ADR, through  
22 December 31st, 2005. Both cities first ADRs have ended.  
23 And despite the City's effort to implement all the  
24 programs in the first goal achievement plan, they will  
25 need additional time to implement additional programs.

1           The staff analysis of these requests show that it  
2 is reasonable given the barriers for both cities that they  
3 have faced. Board staff has determined the information  
4 submitted in the application has been adequately  
5 documented and recommends the Board approve the ADR  
6 request for the Cities of Huron and Mendota.  
7 Representatives from the cities are available here to  
8 answer your questions.

9           This concludes my presentation.

10          CHAIRPERSON MARIN: Okay. Thank you, John.

11          Let's take first the City of Huron. Is it Joe  
12 Kalpakoff?

13          MR. DUKE: Joe is going to be representing both  
14 the cities.

15          CHAIRPERSON MARIN: So is Ivette Servin.

16          MR. DUKE: Correct.

17          CHAIRPERSON MARIN: You guys are not from the  
18 City, correct? You guys are the haulers?

19          MR. KALPAKOFF: That is correct. Good afternoon,  
20 Madam Chair, Committee members. Joe Kalpakoff, General  
21 Manager for Mid Valley Disposal. We are the exclusive  
22 franchise hauler for the City of Huron and Mendota. The  
23 City of Huron could not send a representative. They have  
24 four people currently working as staff in their City Hall  
25 without a City Manager, and they had asked us to go in

1 place for them today.

2 CHAIRPERSON MARIN: I know we have a couple of  
3 questions. I have actually one question regarding the  
4 other city. But in regards to the City of Huron -- how do  
5 you pronounce it?

6 MR. KALPAKOFF: It's Huron.

7 CHAIRPERSON MARIN: Huron. Okay. I pronounce it  
8 Uron. That's not good. In Spanish you don't sound the  
9 "H". So let me ask you this. What is it that you are  
10 going to do for the city that -- this is their second time  
11 extension? We have problems with second times, and there  
12 really needs to be a justification for needing that. It  
13 seems to me that --

14 MR. KALPAKOFF: What we're doing is actually  
15 expanding programs from the first ADR which will expire in  
16 2005. One of the biggest challenges that Huron faces is  
17 it's a small rural community which is made up of all  
18 agriculture.

19 We have couple big seasons where large packing  
20 sheds come into town and set up camp for two months and  
21 then leave. And during that time, the population nearly  
22 doubles with migrant farm workers. The contamination  
23 levels have been shown to continuously increase as the  
24 seasons increase and the agriculture base increases.  
25 During those four months out of the year, we can see

1 contamination levels in the green waste and the commingled  
2 container as high as 75 percent.

3           There's not adequate housing for migrant farm  
4 workers. They live in garages, with people, multi-family  
5 units, things of that nature. We have started in 2004  
6 sending out bilingual -- we have always done bilingual,  
7 but we targeted during the seasons prior to the migrant  
8 farm workers coming in, getting the residents brochure  
9 program information. We actually just started going into  
10 pictures on the colored pictures of what goes in each  
11 container rather than writing it down. That seemed --  
12 though that had improved the first part of 2005. We saw  
13 less contamination. But that's our biggest barrier.

14           We have the programs in. And we have the  
15 three-can system. We have the commercial recycling  
16 programs, school recycling programs, education programs in  
17 the schools, in the classrooms, presentations, procurement  
18 policy in place. The City just passed a C&D policy,  
19 however, there's no construction in the city. We will  
20 address it in the future if it does come there, but I  
21 think we had two houses built in 2004.

22           CHAIRPERSON MARIN: Let me ask you. So when they  
23 made the application for the alternative diversion  
24 requirement, what is it that we are looking for when we  
25 grant them? Is it --

1 MR. KALPAKOFF: We're going to do a generation  
2 study. We're in the process of doing one right now. But  
3 looking at the calls from the large packing sheds, I think  
4 that's going to make a pretty significant difference.

5 DEPUTY DIRECTOR SCHIAVO: Their generation is  
6 about one in just slightly over 20 tons per day total  
7 generation. The other is about 15 tons per day. The last  
8 base years were 1990. If you apply adjustment factors  
9 with the migrant workers and everything, you really have a  
10 mess on your hands. So that's a primary reason for an  
11 ADR, is let's get a grasp for what's going on.

12 CHAIRPERSON MARIN: Are they concerned for -- is  
13 this going to make them be considered a rural community  
14 for the -- have they --

15 MS. WILLMON: Both of them qualify as rural.

16 CHAIRPERSON MARIN: They qualify, but they're  
17 not.

18 MS. WILLMON: They are. They're very tiny rural.  
19 Mr. Kalpakoff came in for both of the cities, one of them  
20 in 2001, one of them in 2003, and really implemented the  
21 programs. That was the focus of the first ADR was to get  
22 the programs in place. Their diversion rate was very low  
23 at that point in time, but we weren't sure whether it was  
24 the rate itself or lack of programs. So that was the  
25 focus of the first ADR was to get those programs in place.

1           The second ADR is more to fine tune, as  
2 Mr. Kalpakoff is saying, any of the issues -- the barriers  
3 they've encountered as a result of implementing these  
4 programs. But also we are not sure that their diversion  
5 rate is accurately reflected, which is the reason the  
6 cities are going to look at their -- do new generation  
7 studies to look at their diversion.

8           CHAIRPERSON MARIN: Okay.

9           COMMITTEE MEMBER WASHINGTON: What's the  
10 population in this particular city?

11          MR. KALPAKOFF: In Huron, it's about 6500. It's  
12 actually around 4500 to 5,000, and then jumps up to about  
13 9- to 10,000 during the two agriculture seasons.

14          CHAIRPERSON MARIN: You know, I've seen this  
15 throughout a number of different counties and different  
16 communities. It's a real challenge to really -- because  
17 they may be doing very, very well, and then they have this  
18 influx of people. And then our formula does not really  
19 lend itself to those fluctuations.

20          COMMITTEE MEMBER WASHINGTON: How do we address  
21 that for the municipality?

22          DEPUTY DIRECTOR SCHIAVO: Good faith effort.  
23 Generally, we focus on the programs. The other option is  
24 ask for a rural reduction. But the problem with that is  
25 you're still focused on a number. So let's say -- I'm

1 just going to give an example -- they set a rural  
2 reduction number of 35 percent. Well, if your numbers are  
3 fluctuating all over the place, that doesn't help you that  
4 much. So we tend to just focus on the programs and --  
5 yeah.

6 CHAIRPERSON MARIN: So then the question is the  
7 programs that they are implementing, do you think that  
8 that is going to be okay? You think it will help,  
9 Tabatha?

10 MS. WILLMON: We went down that last month, June,  
11 to take a look, do what we call a needs assessment, which  
12 is to go through all of the programs that we know exist,  
13 whether they are doing them or not, to try to identify any  
14 gaps in their program implementation. And, you know, we  
15 really didn't find too much.

16 What we did find is addressed in the second time  
17 extension. Really, it's an issue of looking at the  
18 contamination and fine tuning some programs to maybe  
19 increase the participation when the migrant farm workers  
20 are in town and looking at the diversion rate. Those were  
21 the main things that we found.

22 CHAIRPERSON MARIN: All right. Okay. I don't  
23 have any more questions for the City of Huron.

24 Now the City of Mendota. They're worse. City of  
25 Huron is bad, and City of Mendota is worse. So now what

1 are you going to do?

2 MR. KALPAKOFF: The City of Mendota is in a  
3 little different situation. It's still a small rural  
4 farming community, however, as a hauler, we've only been  
5 there for about two years. In 2003, which is the current  
6 diversion rate on the table, what we're looking at today,  
7 we were awarded the exclusive contract in July of 2003.  
8 And before then, there were not any small recycling  
9 programs. We implemented a three-can system. We  
10 implemented commercial recycling programs and businesses  
11 recycling programs, as well as government recycling  
12 programs in the city.

13 We're still in the process of finding the  
14 barriers. But as we dig through them, we're finding  
15 contamination is still the big ticket with the residential  
16 customers. So there's not much construction/demolition  
17 going on in there as well. We do have a C&D policy in  
18 place as well as a procurement policy, which there has  
19 been an informal one since 2000. However, last month I  
20 believe they passed a formal procurement policy which  
21 includes, obviously, the city buying recycled content  
22 paper, toner. Public Works have auctions for used  
23 equipment, road base, grasscycling. Those are the main  
24 procurement.

25 CHAIRPERSON MARIN: Well, is their problem

1 exacerbated? They're in the same situation as the city of  
2 Huron; right?

3 MR. DUKE: Pretty much. We did notice that the  
4 diversion or the disposal -- diversion rate disposal went  
5 down since Mid Valley has come on line. So it does appear  
6 that they're targeting in the right programs.

7 MS. WILLMON: It's dropped over 700 tons just  
8 from 2003 to 2004. So it appears that the programs are  
9 working.

10 CHAIRPERSON MARIN: Ms. Peace.

11 COMMITTEE MEMBER PEACE: I guess it's still  
12 concerning that Mendota was 10 percent less than Huron,  
13 which is smaller and has so many of the same problems.  
14 Why is Huron able to get at least to 36 percent when  
15 Mendota is only at 26?

16 BRANCH MANAGER MORGAN: Again, we think there's a  
17 number of issues. One is why we feel we need to do the  
18 generation study, because we feel there is an issue --

19 CHAIRPERSON MARIN: You're also doing one for  
20 Mendota?

21 BRANCH MANAGER MORGAN: Correct. And,  
22 additionally, we're actually seeing that true disposal  
23 reduction from when Joe took over in mid-2003 to 2004.  
24 We're actually seeing disposal decrease. So in conducting  
25 the generation study, we anticipate that the rate will be

1 more accurate and it's not representative, we really  
2 believe that, of what's currently going on. That's why we  
3 believe the gen study is so important for them.

4 DEPUTY DIRECTOR SCHIAVO: Again, regarding  
5 numbers, because of, as you heard earlier today, the  
6 adjustment factors create a lag in the numbers. But what  
7 we can see is some preliminary disposal numbers that  
8 you've heard today that have shown a decrease. And as we  
9 mentioned earlier today, when we do our evaluations, we  
10 focus mostly on the disposal trends more than the  
11 diversion rate itself because of those lags. And so in  
12 real time, we're seeing a decrease in the disposal numbers  
13 which should mean an increase in diversion overall. And,  
14 again, that's going to be more accurately reflected when  
15 we have the gen study come on line, because that will be  
16 real time.

17 CHAIRPERSON MARIN: When do you intend to do the  
18 generation study? When will you have the results?

19 MR. KALPAKOFF: We plan on doing it for the year  
20 2004. So we've started it in Huron already, and we're  
21 about halfway done with it. We'll start Mendota soon  
22 thereafter.

23 BRANCH MANAGER MORGAN: It's also a part of the  
24 ADR that will be completed by the end of this year.

25 CHAIRPERSON MARIN: All right. Any further

1 questions? Any problems?

2 Okay. We're ready for a motion on the City of  
3 Huron and Mendota, Resolution 2005-255.

4 COMMITTEE MEMBER WASHINGTON: Madam Chair, I so  
5 move Resolution 2005-255.

6 COMMITTEE MEMBER PEACE: Second.

7 CHAIRPERSON MARIN: Moved and seconded. We will  
8 place this item on consent. Thank you so much. Without  
9 objection. Okay.

10 Item 33.

11 DEPUTY DIRECTOR SCHIAVO: Item 33 will be  
12 presented by Kyle Pogue, and it's Consideration of the  
13 Application of an SB1066 Time Extension by the City of  
14 Davis in Yolo County.

15 CHAIRPERSON MARIN: I thought Kyle was going to  
16 introduce this at 4:00 in the afternoon.

17 DEPUTY DIRECTOR SCHIAVO: I thought he was after  
18 the time certain that's why I was confused. I'm not sure.

19 MR. POGUE: Thank you for the opportunity to  
20 present before lunch.

21 Good afternoon, Committee members. Kyle Pogue  
22 with the Office of Local Assistance. The City of Davis in  
23 Yolo County has requested a first SB1066 Time Extension  
24 through December 31st, 2005, to provide additional time to  
25 implement the programs in its Plan of Correction. Staff's

1 analysis of the City of Davis' request is that it is  
2 reasonable given the barriers the City is facing and  
3 recommends the Board approve the City's time extension  
4 request.

5 Also, the Board staff recommends the Board select  
6 Option 3 and approve the City's application as submitted  
7 with the addition of a C&D ordinance to strengthen the  
8 City's current C&D waste management efforts.

9 Richard Tsai from the City of Davis is available  
10 to answer any questions you may have. And this concludes  
11 my presentation.

12 CHAIRPERSON MARIN: Okay. Mr. Tsai.

13 MR. TSAI: Good afternoon, Chairperson and  
14 Committee. I'm Richard Tsai, Senior Utilities Resource  
15 Specialist for the City of Davis Public Works. I have a  
16 short presentation, and I will answer questions  
17 afterwards.

18 CHAIRPERSON MARIN: Perfect. We like that. Go  
19 ahead.

20 MR. TSAI: The Davis curbside recycling program  
21 was started in the early 1970s. In the past, collection  
22 has been manual and allowed for unlimited garbage.  
23 Residents were allowed to use their own containers or  
24 trash bags for garbage, optional bins or paper bags for  
25 recyclables. Garbage and recyclables were collected

1 weekly.

2           In the last quarter of 2004, a fully automated  
3 garbage and recycling pickup system for 13,000 housing  
4 units was implemented by the City of Davis and our  
5 franchise hauler, Davis Waste Removal. Carts for both  
6 garbage, which is 95 gallons default size, and recycling,  
7 64 gallons split cart system, were provided to all  
8 curbside customers and became mandatory. Collection  
9 continues to be on a weekly schedule with the new program.

10           We believe the new system will increase our  
11 diversion rate for two reasons. Unlimited garbage is now  
12 restricted to the size of the carts and recycling is made  
13 easier with the new carts. The change from unlimited  
14 curbside garbage to the cart system requires all garbage  
15 to fit inside the carts, urging people to save space by  
16 placing recyclables inside the carts.

17           The recycling carts make it easier to transport  
18 all the recyclables to the curb. Preliminary numbers from  
19 our hauler show an increase in recycling for the first two  
20 quarters for 2005 with residuals staying at the same range  
21 as the old system. A few year's data is needed for a good  
22 comparison.

23           In addition to curbside service, there's a  
24 24-hour drop-off recycling at the Davis Waste Removal site  
25 for all recyclables, used oil, filters, and also scrap

1 metal. Davis Waste also hosts an annual bulky drop-off  
2 event for furniture, salvage, wood, metals, and  
3 electronics that are collected and recycled. Davis Public  
4 Works offers free compost bins to residents for backyard  
5 composting.

6           On the multi-family side, apartments are required  
7 to have recycling carts at all trash enclosures. Some  
8 have recycling carts near mailbox clusters, laundry rooms,  
9 and next to clubhouse areas. City assists apartments  
10 during the move-out time to salvage and divert large  
11 furniture from roll-off dumpsters. City connects  
12 charities with apartment complexes to remove used  
13 clothing, linen, mattresses, and some furniture.

14           On the commercial side, all businesses in Davis  
15 are required to have commercial recycling. Waste audits  
16 are conducted to assess garbage subscription level.  
17 Businesses may request as many recycling carts as they can  
18 fill without an increase in their garbage fees. City  
19 assists in training on-site recycling coordinators for  
20 large businesses to run their own recycling programs.  
21 City works with the Davis Chamber of Commerce to set up  
22 recycling as new businesses come on board.

23           Now on the C&D side, our approach to C&D waste  
24 uses a combination of permits with our Planning and  
25 Building Department and working with neighboring cities

1 and counties to reduce C&D waste. The Public Works  
2 Department works with Planning and Building on review of  
3 all C&D permits. Outline of a recycling plan is required  
4 in the permitting process and weigh tickets are examined.

5 We also participate in regional workshops with  
6 both Yolo and Sacramento Counties and their cities for  
7 regional solutions to handle C&D waste. Currently, there  
8 is not a C&D recycling facility in Yolo County. And  
9 examples of items discussed in our working group are  
10 working with haulers, working with our generators, siting  
11 of a permanent C&D facility, development of recycling  
12 guidelines, and enforcement solutions.

13 One thing we want to point out is data has shown  
14 that since the year 2000 Davis has slowed down in growth,  
15 and it is estimated in the next 20 years to be reduced by  
16 50 percent.

17 On our other programs that I want to highlight is  
18 the City of Davis has a procurement policy in its City  
19 Code which requires emphasis on purchasing materials with  
20 recycled content. The City also requires contractors and  
21 consultants of the City to follow such policy. And some  
22 examples are grindings are stored and reused on city  
23 projects as road base.

24 In 2005, one of our paving projects used 1800  
25 tons of rubberized asphalt, and that represents 25 percent

1 of our total asphalt usage. And 100 percent of our City  
2 fleet, which includes our Public Works trucks, our parks  
3 trucks, fire engines, and police force run on re-refined  
4 oil. Parks also leave their clippings as mulch on the  
5 parks and greenbelts.

6 And with the Davis Joint Unified School District,  
7 we work with a program which is recycling is simply  
8 elementary. It is a school-based collaborative that  
9 places recycling coordinators at each school to help  
10 students recycle during breakfast and lunch. Students  
11 sort their waste into plastic cans, glass, and paper  
12 before heading to the playground for recess. Students  
13 also sort their food waste, fruit, and vegetables into a  
14 compost bucket and other food waste into the trash.

15 Source reduction composting recycling in the  
16 schools have expanded from nine elementary schools to  
17 include three junior high schools this year. Data from  
18 2004 have shown a 50 percent reduction in garbage from the  
19 nine elementary schools.

20 In conclusion, we are applying for the time  
21 extension for the first time to request more time for our  
22 new programs to mature and to allow for a data collection.  
23 Thank you.

24 CHAIRPERSON MARIN: Thank you so very much for  
25 being here, Mr. Tsai.

1 I only have a question regarding your  
2 construction and demolition. It seemed to me -- explain  
3 to me the enforcement procedures are not as clearly stated  
4 in the ordinance, it seemed like --

5 MR. TSAI: Currently, we do not have a C&D  
6 ordinance. We have a draft ordinance.

7 CHAIRPERSON MARIN: So you're going to put some  
8 enforcement in there.

9 MR. TSAI: We need to put some enforcement with  
10 working with our Planning and Building Department.

11 CHAIRPERSON MARIN: When do you expect that C&D  
12 ordinance to be adopted?

13 MR. TSAI: Right now we're not sure, because  
14 we're working with the region to sort of site a C&D  
15 recycling facility in Yolo County. And with that, it  
16 would be easier to enforce such an ordinance.

17 CHAIRPERSON MARIN: Well, it seems like sometimes  
18 it's the chicken and the egg kind of thing. Because we  
19 don't have the infrastructure, we're not going to have the  
20 ordinance. We don't have the ordinance because we're  
21 don't have the infrastructure.

22 Yes, Mr. Pogue.

23 MR. POGUE: One quick thing. The discussion that  
24 we had was regarding the C&D ordinance is to present  
25 something to their City Council, and work with their City

1 Council by the end of the year presenting that ordinance.  
2 So that's one of the things we had discussed, allowing a  
3 little bit of flexibility to ultimately adopt that  
4 ordinance.

5 CHAIRPERSON MARIN: Any further questions? Okay.  
6 Ms. Peace.

7 COMMITTEE MEMBER PEACE: You always think of  
8 Davis as being environmental and people really caring  
9 about recycling and that sort of thing up. What did you  
10 attribute the big decline from 2001-2003, the diversion  
11 went down 10 percent? Was it just a bunch of little  
12 things?

13 MR. TSAI: Well, between 1980 and the year 2000,  
14 we estimate a growth rate of about 64 percent. Now, so  
15 there was a lot of C&D waste that happened towards the  
16 tail-end of between 2000, 2001, '02. We have since seen a  
17 steady decrease in that C&D waste. So by '05 and beyond,  
18 we should see our numbers start to improve just because  
19 we're having less construction right now.

20 CHAIRPERSON MARIN: One of the things I cannot  
21 emphasize enough, to us, C&D makes a big difference. To  
22 have a good ordinance makes a big difference. And I  
23 appreciate that our staff is working with you to develop  
24 that as soon as possible. We want to make sure that we  
25 have an enforcement capability within it. We don't want

1 an ordinance without teeth. We can tell which one has the  
2 teeth and which one doesn't. So we would appreciate that.  
3 At the end of the year, it gives us four months to do it.  
4 That's plenty of time for your City Council to adopt it.  
5 So, you know, please take that back. We would love to see  
6 that. I know that's their requirement, but don't wait  
7 four years to get it done. We need to see it right away.

8 Okay. Anything else? No.

9 Okay. Is there a motion to adopt Resolution  
10 2005-215?

11 COMMITTEE MEMBER WASHINGTON: Madam Chair, I'd  
12 like to move adoption of Resolution 2005-251 with Option  
13 3.

14 COMMITTEE MEMBER PEACE: Second.

15 CHAIRPERSON MARIN: Moved and seconded. We will  
16 substitute the previous roll call and we'll place this on  
17 consent.

18 Okay. That does it for you, Mr. Schiavo. He's  
19 happy now. He has ten minutes.

20 COMMITTEE MEMBER PEACE: You know, as we ask all  
21 these jurisdictions if they have a buy recycled  
22 procurement policy and what kinds of things are they doing  
23 and are they buying, is there any way you think -- would  
24 it be helpful for our Office of Local Assistance maybe  
25 with the Markets Division to put together some sort of a

1 recycled procurement policy, some guidelines as to what we  
2 consider a good faith effort? Because just to buy paper  
3 to me is not a good faith effort. They say it's, great we  
4 have a buy recycled procurement policy. We buy paper and  
5 toner. To me, that's not a good --

6 DEPUTY DIRECTOR SCHIAVO: We have to be cautious  
7 depending on the circumstance and the jurisdictions.  
8 That's why a good faith effort treats every jurisdiction  
9 on a case-by-case basis and the Board can make the  
10 determination based on a case-by-case assessment. But I'd  
11 be real cautious about having any kind of blanket  
12 definition of what that means.

13 COMMITTEE MEMBER PEACE: Maybe some things they  
14 can consider. Maybe they haven't considered recycled  
15 paint or the compost.

16 DEPUTY DIRECTOR SCHIAVO: That's on our website.

17 BRANCH MANAGER MORGAN: Board Member Peace, the  
18 OLA staff, within the past year, when they go out and  
19 visit the jurisdictions, they're actually doing a  
20 verification to what they're doing to buy recycled. When  
21 they're in the field, if we feel there's a gap, you know,  
22 if they're just doing paper, for example, we actually are  
23 providing them all of the resources.

24 In addition to that, we've also been starting to  
25 do peer matching, because we have a number of

1 jurisdictions that have found some materials to be more  
2 cost effective. So the staff are now doing peer matching,  
3 hooking them up with other jurisdictions to the point  
4 where the staff actually when they go and visit the  
5 jurisdictions, they're looking at the procurement tools  
6 that the city uses.

7           So if they go to Office Depot, for example, we're  
8 actually sitting down with the jurisdiction staff to look  
9 at those like Office Depot guide books and show them where  
10 the materials are. So in the last year, the staff are  
11 doing exactly that, providing much more hands-on  
12 assistance.

13           And then with respect to policies, we're working  
14 more directly with the jurisdictions to evaluate their  
15 existing policy to see if it's strong enough or needs  
16 strengthening, and providing them good models to do that.

17           COMMITTEE MEMBER PEACE: You are suggesting these  
18 other things?

19           BRANCH MANAGER MORGAN: We're taking a higher  
20 step for you.

21           COMMITTEE MEMBER PEACE: I'm glad to hear that.  
22 Thank you.

23           CHAIRPERSON MARIN: Okay. Thank you so very much  
24 Pat and Phil and Cara.

25           No Patty Wohl today. In her stead, we have none

1 other than Judy Friedman.

2 BRANCH MANAGER FRIEDMAN: Good afternoon.

3 CHAIRPERSON MARIN: We have less than ten minutes  
4 to go through -- probably go through Item 36. Do you want  
5 to give a report?

6 BRANCH MANAGER FRIEDMAN: Well, actually, Madam  
7 Chair, good afternoon. I wanted to ask you how many items  
8 do you want to get done before the time certain item?

9 CHAIRPERSON MARIN: We're actually going to break  
10 at 1:00, Judy. So whatever we can do in the next eight  
11 minutes.

12 BRANCH MANAGER FRIEDMAN: Okay.

13 CHAIRPERSON MARIN: As fast as possible. Ms.  
14 Peace assures me she's not going to ask any more  
15 questions. She wants to get through the entire agenda.

16 BRANCH MANAGER FRIEDMAN: In the interest of time  
17 to see if we can get through as many as possible, I'm  
18 going to skip the Deputy Director's report and go right  
19 into the first item that we have that isn't time certain.  
20 And that is Agenda Item 36, which is Consideration of the  
21 Recycling Market Development Revolving Loan Program  
22 Application for U.S. Rubber Recycling, Inc. And Jim La  
23 Tanner will be presenting this item.

24 LOAN PROGRAM SUPERVISOR LA TANNER: In 30  
25 seconds, 36 is a loan request from U.S. Rubber for \$2

1 million to purchase a new facility. This will result in  
2 the increased diversion of 1,750 tons of tire crumb from  
3 landfills annually. Loan Committee met on September 8th  
4 and approved the loan as presented. And Rick Snyder, the  
5 President, is here should you have any questions.

6 That concludes my presentation.

7 CHAIRPERSON MARIN: Okay. Mr. Snyder, where are  
8 you? Please come forward. I promised you I was going to  
9 visit your facility, and I don't know if I should come  
10 before or after.

11 MR. SNYDER: You should come to the new one if we  
12 get the loan.

13 CHAIRPERSON MARIN: Okay. Thank you, Mr. Snyder.  
14 I know that you are the largest producer of mats,  
15 rubber.

16 MR. SNYDER: Flooring and mat and other rubber  
17 accessories, wall trimming, recycled tire material.

18 CHAIRPERSON MARIN: And \$2 million, and we have  
19 provided you with a previous loan which you have paid --

20 MR. SNYDER: Yes.

21 CHAIRPERSON MARIN: -- timely, and we've no  
22 problems with your loans; right?

23 MR. SNYDER: That's very true. Yep.

24 CHAIRPERSON MARIN: So you have a record. Are  
25 you guys willing to --

1 COMMITTEE MEMBER PEACE: I was going to ask him  
2 that there needs to be some remediation of the property.  
3 You had some contamination.

4 MR. SNYDER: What is the issue?

5 COMMITTEE MEMBER PEACE: How long do you think  
6 it's going to take? When do you think that will all be  
7 cleaned up?

8 MR. SNYDER: We were told about a year ago it  
9 would take like four months. And then we were recently  
10 told it could take a year. And then the no further action  
11 letter could take up to another year. So we're looking at  
12 under two years. But when we signed the LOI for the  
13 property, we're dealing with BASF, by the way, a major  
14 multi-national corporation. They were remediating it  
15 using gasification. And once they signed the lease, they  
16 brought in a tractor. So we think it's going to be done  
17 within a year.

18 CHAIRPERSON MARIN: Is that a problem for us?

19 LOAN PROGRAM SUPERVISOR LA TANNER: No, it's not.  
20 Staff has visited the site. There were two contaminated  
21 separate areas. One has been completely remediated. The  
22 other area is where underground tanks were located.  
23 That's been 90 percent completed.

24 What typically happens is there's ground  
25 monitoring wells and a vapor extraction unit that sits

1 there on the property. And as the gas vapors come up out  
2 of the dirt, it burns it. I used to work at Trade and  
3 Commerce on the rust underground tank program. And it's  
4 more cost feasible to use this method. There's probably  
5 six months left maybe for this ground extraction unit to  
6 be done. There's no other work a contractor can come in  
7 and do, unless you want to completely excavate the site.  
8 And it's not contaminating the ground water. It's not a  
9 problem from the loan side.

10 CHAIRPERSON MARIN: Okay. Any further questions?

11 COMMITTEE MEMBER PEACE: What are we taking as  
12 collateral?

13 LOAN PROGRAM SUPERVISOR LA TANNER: We're going  
14 to take on a second deed of trust on the real estate  
15 behind a bank.

16 COMMITTEE MEMBER WASHINGTON: Madam Chair, I'd  
17 like to move adoption of Resolution 2005-268.

18 CHAIRPERSON MARIN: Okay. Moved.

19 COMMITTEE MEMBER PEACE: Second.

20 CHAIRPERSON MARIN: Moved and seconded. Without  
21 objection, that will be the pleasure of this Committee.  
22 We will place this item on fiscal consent. And really  
23 there is nothing for you to come to the Board, I don't  
24 think.

25 MR. SNYDER: Thank you very much.

1 CHAIRPERSON MARIN: All right. Thank you. And  
2 go out there and be successful, okay.

3 COMMITTEE MEMBER WASHINGTON: Madam Chair, he  
4 really does have an excellent facility.

5 CHAIRPERSON MARIN: You've been to it?

6 COMMITTEE MEMBER WASHINGTON: Yeah.

7 CHAIRPERSON MARIN: I'll just wait until you have  
8 a new facility. Let's give the money right away, after  
9 the Board approves it.

10 Next item will be Item 37.

11 BRANCH MANAGER FRIEDMAN: Yes, Madam Chair,  
12 Consideration of the Recycling Market Development  
13 Revolving Loan Program Application for Grover Landscape  
14 Services, Inc. And, again, Jim La Tanner will be making  
15 the presentation for staff.

16 LOAN PROGRAM SUPERVISOR LA TANNER: Thirty-seven  
17 is for Grover Landscape requesting a \$2 million loan.  
18 They've had a prior loan with us, paid as agreed. One  
19 loan paid off. Second loan we sold.

20 This loan will result in additional diversion of  
21 96,000 tons of green waste and wood waste from the  
22 landfills. They're going to use it to buy real estate and  
23 more equipment. Staff has visited the site and it would  
24 be a good one for Board members to visit. Loan Committee  
25 met on September 8th and approved the loan as presented.

1           That concludes my presentation.

2           CHAIRPERSON MARIN: Thank you.

3           Do we have Mark Grover?

4           LOAN PROGRAM SUPERVISOR LA TANNER: We asked him  
5 to come up, but we thought our items would be in the  
6 afternoon. So he started to come up, but then we told him  
7 to turn around because he wouldn't make it for this  
8 hearing.

9           CHAIRPERSON MARIN: Oh, okay. Where is he at?  
10 Where is this at?

11          LOAN PROGRAM SUPERVISOR LA TANNER: It's south of  
12 Modesto.

13          CHAIRPERSON MARIN: Well, I don't see any  
14 problems with this one.

15          Ms. Peace.

16          COMMITTEE MEMBER PEACE: Again, what were they  
17 going to collateralize the loan with?

18          LOAN PROGRAM SUPERVISOR LA TANNER: We're taking  
19 real estate and equipment as collateral.

20          CHAIRPERSON MARIN: Okay.

21          COMMITTEE MEMBER WASHINGTON: Madam Chair, I'd  
22 like to move adoption of Resolution 2005-269.

23          COMMITTEE MEMBER PEACE: Second.

24          CHAIRPERSON MARIN: Moved and seconded. We will  
25 place this item on fiscal consent, without objection.

1           Item Number 39.

2           BRANCH MANAGER FRIEDMAN: Madam Chair, this item  
3 is Consideration of the 2005 Waste Reduction Awards  
4 Program, WRAP, Winners and WRAP of the Year Winners.  
5 Piper Miguelgorry will be making the presentation for  
6 staff.

7           MS. MIGUELGORRY: Good afternoon, Madam Chair and  
8 Board members.

9           In a quick way, I will simply let you know this  
10 item is requesting that the full Integrated Waste  
11 Management Board approve the proposed list of Waste  
12 Reduction Awards Program winners and the WRAP of the Year  
13 winners for the year 2005.

14           Currently, we have 1871 qualifying applicants  
15 receiving scores that have met the criteria for the WRAP  
16 award. And in addition, we have proposed five, instead of  
17 ten, WRAP of the Year candidates for consideration. In  
18 order to meet the requirement -- the suggestion that we --  
19 and direction from the Board was we streamline our  
20 programs, we proposed to do this.

21           And in addition, lastly, we have one out of  
22 compliance organization that has been proposed is also  
23 qualifying winner, and that is the Albertsons Corporation,  
24 representing 772 stores within the state. They have been  
25 identified, but are very willing and agreeable to comply

1 with the certification process by January 31st of 2006 so  
2 that we can then award them the award following that  
3 compliance.

4 CHAIRPERSON MARIN: We have been giving -- they  
5 have participated in this award every year for a long,  
6 long time.

7 MS. MIGUELGORRY: And they do outstanding.

8 CHAIRPERSON MARIN: And the other compliance has  
9 to do with plastics; correct?

10 BRANCH MANAGER FRIEDMAN: That's correct, Madam  
11 Chair. It's the RPPC program. We're recommending  
12 essentially a stay of their award pending their compliance  
13 materials being submitted. And they're actually  
14 accelerating -- the award is so important to them, they're  
15 accelerating submittal of their materials to get the  
16 award.

17 CHAIRPERSON MARIN: Yeah. Okay. Ms. Peace.

18 COMMITTEE MEMBER PEACE: I have to ask some  
19 questions. I'm really interested in this.

20 Safeway is one of the five WRAP of the Year  
21 winners. Can you tell me what Safeway does that's so much  
22 different than other supermarkets that --

23 MS. MIGUELGORRY: Well, they have a number of  
24 programs in place. I'd actually have to pull the  
25 application to look at it in comparison to the Albertsons.

1 I'm sorry I was not prepared to focus on that particular  
2 business at this moment. But I'll be happy to review that  
3 and provide you that information, in the interest of time  
4 as well.

5 COMMITTEE MEMBER PEACE: I don't know if anybody  
6 else is interested. I mention these five because we have  
7 hundreds of applications, and we narrow it down to five.  
8 These must be pretty special things, and I would like to  
9 hear about them.

10 CHAIRPERSON MARIN: Okay. Why don't we do this.  
11 Let's take a break, if that's okay. We'll come back at  
12 1:30. After the 1:30 time certain, we'll take this item.  
13 And maybe you can just answer specific questions about why  
14 each one is unique.

15 MS. MIGUELGORRY: Sure. I'll be happy to.

16 CHAIRPERSON MARIN: Thank you. Okay. With that,  
17 we'll go to lunch, and we will be back at 1:30 on the dot.  
18 Thank you.

19 (Thereupon a lunch recess was taken.)

20 CHAIRPERSON MARIN: We're going to start. I'm  
21 sure Mr. Washington will join us momentarily.

22 Please call the roll.

23 EXECUTIVE ASSISTANT BAKULICH: Peace?

24 COMMITTEE MEMBER PEACE: Here.

25 EXECUTIVE ASSISTANT BAKULICH: Washington?

1 Marin?

2 CHAIRPERSON MARIN: I'm here.

3 And do you have any ex partes?

4 COMMITTEE MEMBER PEACE: No. I'm up to date.

5 CHAIRPERSON MARIN: And so am I. Okay.

6 Judy, you want to present the item?

7 BRANCH MANAGER FRIEDMAN: Sure, Madam Chair.

8 Agenda Item 35 is the Update on the

9 Implementation of SB 2050, the Electronic Recycling Act of  
10 2003, and Discussion of Stakeholder Concerns and Possible  
11 Remedies Regarding Undocumented Covered Electronic Waste.  
12 Shirley Willd-Wagner will start the presentation for  
13 staff.

14 (Thereupon an overhead presentation was  
15 presented as follows.)

16 BRANCH MANAGER WILLD-WAGNER: Good afternoon,  
17 Committee members. As Judy said, I'm going to present  
18 this item. It's been a while since we've seen you, so  
19 we'd like to --

20 --o0o--

21 BRANCH MANAGER WILLD-WAGNER: -- keep you up to  
22 date on what we're doing in the program.

23 The purpose of today's item in coming before you  
24 is to update you first on our implementation efforts, what  
25 we're doing, as well as give you some of the statistics of

1 how the program is moving along and what we've  
2 accomplished so far. Then we're going to summarize some  
3 of the challenges that are facing the program. And we'll  
4 spend a lot of time recapping the August 23rd workshop  
5 that we had that was the kick off to our formal rule  
6 making process.

7           We're now moving into the next phase really of  
8 program implementation. As you remember, we've been  
9 operating under emergency regulations. And these have  
10 been in place now for almost -- well, the Board adopted  
11 them last December. We have until next December of '06 to  
12 finalize and have these new final regulations actually  
13 effective. So we hope to bring the proposed regulations  
14 to the Board in October.

15           So we're now moving into the phase of trying to  
16 get input on the formal rule making process. So August  
17 23rd we held the first stakeholder workshop. And we were  
18 looking for comments on the emergency regulations and  
19 ideas from the stakeholders. We had a real good session  
20 that day.

21           And for the first time, we were able to video  
22 conference in Southern California. We held it at the DTSC  
23 facility, and many thanks to our partners in the  
24 Department of Toxics. They were able to have one of their  
25 facilities in the Cyprus, I believe it was, with a video.

1 We could conference with them. They could speak to us  
2 live and ask questions and participate fully in the  
3 workshop. And we thought that was a real nice outreach to  
4 our Southern California stakeholders who sometimes have  
5 difficulty traveling to Sacramento.

6 So we'll describe some of the input we received  
7 at that workshop and some of the points that were really  
8 brought out by the stakeholders. And then we'll discuss  
9 and, you know, present you with some ideas for possible  
10 future options and where the program can go from here.

11 --o0o--

12 CHAIRPERSON MARIN: Before you go, let me just  
13 for the record reflect that Mr. Washington just joined us.  
14 Thank you.

15 BRANCH MANAGER WILLD-WAGNER: These next slides  
16 are background, and I'll go through them really quickly,  
17 because you've seen them before. I believe you're pretty  
18 familiar with this program. But just to set the context a  
19 little bit, if you have anything, wave your hand and I'll  
20 see you. Otherwise, I'll just go through really quickly.

21 The background and the reason we have SB20, there  
22 was a DTSC clarification that CRTs are hazardous. It was  
23 a significant cost burden to local governments in managing  
24 this new waste stream that could no longer be put in the  
25 landfill. We noticed an increase in illegal dumping

1 because it was costly to dispose of the devices. There  
2 was a concern regarding export and hazardous devices being  
3 managed in other countries that didn't have the  
4 environmental and personal protection that we do. And  
5 there were very limited and costly recycling opportunities  
6 for the public, which led back to the illegal dumping. So  
7 we also had an increase in stockpiling by the consumers.

8 --o0o--

9 BRANCH MANAGER WILLD-WAGNER: The intent of the  
10 Act, again for background, was to provide that financial  
11 relief so it wouldn't be so costly to manage the  
12 electronic waste. We needed to foster cost-free recycling  
13 opportunities for consumers throughout the state, reduce  
14 the illegal dumping, and eliminate the stockpile of the  
15 televisions and monitors. Again, remember this is a  
16 hazardous waste. So we need to reduce that illegal  
17 dumping. And planning for the future, the Act calls for a  
18 decrease in the amount of hazardous materials in the  
19 covered products.

20 --o0o--

21 BRANCH MANAGER WILLD-WAGNER: The components of  
22 the Act, you know, has an advance recycling fee. The  
23 recovering and recycling payments to qualified handlers of  
24 covered electronic waste, we'll spend most of our time  
25 discussing that today. That's what we'll spend most of

1 our time on. Manufacturer labeling is called for in the  
2 Act. Product design, consistency with the reduction of  
3 hazardous substances act that DTSC will be focusing on and  
4 providing regulations on consumer information and state  
5 purchasing guidelines. You recall that we came to you to  
6 adopt EPEAT to use as a tool for purchasing.

7 --o0o--

8 BRANCH MANAGER WILLD-WAGNER: Back to what is a  
9 covered electronic device. These are determined by  
10 Department of Toxic Substances Control. Right now it  
11 includes CRT television or monitor, liquid crystal display  
12 television or monitor, laptop computers. And plasma  
13 televisions became effective this past July.

14 --o0o--

15 BRANCH MANAGER WILLD-WAGNER: Some of our  
16 statistics. We began revenue collection in January. And  
17 as I reported before, the fee collection is going really  
18 well. The only complaint we sometimes receive is from  
19 consumers who cannot find a place to take their old  
20 televisions.

21 We're still working on additional information and  
22 outreach with the retailers. And we'll be coming to --  
23 the Office of Public Affairs will be coming to you soon  
24 with a contract to help do some outreach with the  
25 retailers and the consumers that have that front

1 face-to-face interaction. First and second quarter  
2 returns so far are about 30 million. So the program is on  
3 track with the projection, so we're actually pretty  
4 accurate on that.

5 --o0o--

6 BRANCH MANAGER WILLD-WAGNER: The recyclers,  
7 we've approved through the process, of course coordinating  
8 with Department of Toxics, to make sure everyone has  
9 notified Department of Toxics as a handler. We have over  
10 300 approved collectors in the system now; 39 of those are  
11 approved recyclers, which generally means they're dual  
12 entities. They're usually collectors also. And as you  
13 remember, we pay -- CIWMB pays the recyclers. The  
14 recyclers turn around and pay the collectors.

15 --o0o--

16 BRANCH MANAGER WILLD-WAGNER: This summer we had  
17 some really good student assistants that helped us design  
18 and implement a quick study. We wanted to find out from  
19 the recyclers and collectors where are those cost-free  
20 opportunities. Are they out there? What's happening on  
21 that?

22 So it showed during the summer this last year  
23 that we got -- we talked to 69 percent of the approved  
24 collectors and recyclers. Ninty-seven percent of them did  
25 offer some degree of cost-free service. But only 64

1 percent offer, all the time, complete cost-free  
2 opportunities. And, of course, we're not where we want to  
3 be. But 64 percent compared with zero percent virtually  
4 or maybe 5 percent before the Act started is pretty good.  
5 As we were saying this morning, we went from zero to 64  
6 in, you know, eight months. So that was pretty good. But  
7 we're definitely not where we want to be.

8           Cost-free and convenient, we envision hopefully  
9 that all consumers will have that opportunity. And a lot  
10 of that we'll be able to assess better after we have the  
11 first net cost reports. We'll find out a little bit more  
12 what are the actual costs of doing the recycling and the  
13 collecting. Those net cost reports are due to us in  
14 February. And we'll do some analysis then so we can see  
15 what those costs are.

16           And we have a contractor on board who's going  
17 right now out in the field to work with the local  
18 governments and the private recyclers to help them figure  
19 out how to track and report those net costs so we're  
20 getting similar information in and so they're truly  
21 including all of their costs. So hopefully we'll get some  
22 real good data from that.

23           I guess at this point, unless you have any  
24 questions on the background, I'll turn it over to Jeff to  
25 talk a little more specifically about the workshop.

1           CHAIRPERSON MARIN:   Okay.   Go ahead.

2           SUPERVISOR HUNTS:   Thank you, Shirley.   Good  
3   afternoon, Madam Chair, Committee members.   I'm Jeff  
4   Hunts.   I'm the Supervisor within the Electronic Waste  
5   Recycling Program.

6                               --o0o--

7           SUPERVISOR HUNTS:   A little bit more on some  
8   stats within the program, our progress.   On the collection  
9   and recycling side, eligible activities began January 1st  
10   as well.   Eligible activities meaning devices that were  
11   discarded by California sources beginning January 1st  
12   began coming into the system.   The program has received a  
13   little over \$10.1 million in claims.   Of those claims  
14   received -- and we are just about to reach our 100-claim  
15   mark.   We have 96 claims that have come in.   So we're  
16   averaging over \$100,000 per claim that comes in.

17           The program has processed 68 percent of the  
18   claims that have been received and have approved \$5.8  
19   million in payment.   It's important to note there that  
20   that balance between the 10.1 and the 5.8 are pretty much  
21   still in the process of being evaluated.   In fact, about  
22   half of what's still being evaluated has been thoroughly  
23   processed by Program, and we're simply waiting for  
24   additional information from claimants to bring those  
25   claims to close.

1           Of those claims that have been processed, Program  
2 is running at about a 91.5 percent approval rate or  
3 approval on the payment. So in other words, about 8.5  
4 percent on average of a claim is being backed out due to  
5 some deficiency, and usually that's a source documentation  
6 issue.

7                               --o0o--

8           SUPERVISOR HUNTS: Let's get into some of the  
9 program identified challenges that are facing the system.  
10 Covered electronic wastes that are simply undocumented or  
11 source anonymous, where do these things come from. They  
12 may be eligible. They may otherwise have been eligible.  
13 They may have been from California sources. But because  
14 of lack of documentation, we don't know.

15           These are items that are resulting from load  
16 check activities, illegal dumping cleanup, abandoned  
17 waste, anonymous donations. These items have limited  
18 access to the system to secure the benefit of payment.  
19 There are opportunities, but it's limited access at this  
20 point.

21           Another challenge is uneven interpretation or  
22 application of what we're calling the local government  
23 agent provision. This is occurring externally from the  
24 Board. It's in the field. Our regulations don't define  
25 or delineate what exactly an agent is. It's mentioned in

1 the provision of the regulations that require source  
2 documentation, allowing for those collectors who are local  
3 governments or agents thereto to not capture names and  
4 addresses. But we don't know on -- the regs don't go on  
5 to define who an agent can be. And because of possible  
6 liability concerns at the local level, who is designated  
7 an agent by what local government has been unevenly  
8 applied across the state. Some jurisdictions are more  
9 liberal with their designations, and others are very  
10 limited in who they designate.

11 --o0o--

12 SUPERVISOR HUNTS: A couple other challenges  
13 facing the system; timely payments to recyclers and  
14 collectors. There are some structural time delays built  
15 into the system with the regulations. A claim is due from  
16 recyclers 45 days after the close of a reporting period.  
17 So right there we have a month-and-a-half before the  
18 program even sees a claim. The program then works hard  
19 with the claimant and processes that claim and approves  
20 payment. State Controller's Office will cut a check. But  
21 it may take several months from the time that a collector  
22 originally transfers collected waste to a recycler before  
23 that recycler sees a check and moneys are available to pay  
24 everybody in the system. Many of our participants are  
25 small to medium size businesses who are carrying a

1 significant amount of monetary obligation to other  
2 non-participants in the system, processors downstream,  
3 payroll. It's something we need to keep an eye on.

4           Also, there's shifting markets for cathode ray  
5 tube glass. The glass that that's derived from certain  
6 covered electronic waste has limited end use potential.  
7 One of those being lead smelting. And the sole U.S. lead  
8 smelter is currently not accepting CRT glass. Doe Run in  
9 Missouri has suspended receipts as they upgrade their  
10 equipment.

11           Our understanding is that there is significant  
12 capacity in what's known as glass-to-glass markets where  
13 CRT glass can be turned back into CRTs. But much of this  
14 capacity is elsewhere, some of it overseas. And program  
15 is having to look at what documentation we can secure to  
16 be confident about that end use disposition.

17                               --oOo--

18           SUPERVISOR HUNTS: I'm not going to spend a lot  
19 of time on the next two slides, but this is where in the  
20 regulations we require source documentation.  
21 Specifically, there in orange in the middle are those  
22 collectors who are not local governments or agents -- this  
23 is what the law is -- secure a list of all consumers who  
24 transfer covered electronic waste to the collector  
25 including name and address of that consumer.

1 --o0o--

2 SUPERVISOR HUNTS: And what a California source  
3 is, this was a point of confusion for some participants at  
4 the time of start up. A California source is a consumer.  
5 The entity that consumes the device, uses the device prior  
6 to discarding it. And kind of more importantly here is  
7 what in California a source is not. It's not other  
8 handlers or collectors who may accumulate discarded or  
9 donated materials.

10 --o0o--

11 SUPERVISOR HUNTS: So as Shirley noted, we did  
12 have a workshop August 23rd. It was intended to kickoff  
13 our final rule making process, aiming towards next October  
14 at the latest for adoption. If we can get to final reg  
15 adoption before then, that would be great.

16 Stakeholders were asked to come prepared and to  
17 identify key issues that they would like to see addressed  
18 in the final regulation. Where did we get it right?  
19 Where did we get it wrong with the current emergency  
20 regulations? What did we miss?

21 Some of the concerns raised included, how do we  
22 manage undocumented CEWs? How can we bring those, or can  
23 we bring those, into the system if they were otherwise  
24 eligible? How can we have better equity or even  
25 application of the local government agent designation?

1 Then because of the source documentation requirements in  
2 regulation, there is a significant paperwork burden. That  
3 was a point of concern. And there was identification for  
4 a need for some better definitions. Everything from, what  
5 is an end use destination? What is economic feasibility?  
6 And as we noted previously, what's an agent?

7 --o0o--

8 SUPERVISOR HUNTS: Looking ahead from that  
9 workshop into the future, Program plans to proceed with  
10 final regulations. That will take about a year. We will  
11 continue to expand the recovery and recycling system  
12 through the processing of applications, bringing more  
13 handlers into the system. As Shirley noted, we will be  
14 working with Public Affairs to promote the erecycle.org  
15 informational website that lists approved participants as  
16 well as unapproved participants and handlers of a full  
17 range of e-waste. The objective of heightening the  
18 awareness of collection opportunities.

19 We're going to deploy audit functions. We are  
20 working with a contractor to work with our participants to  
21 standardize net cost reports so we can better understand  
22 what the costs really are within the system. And we also  
23 want to enforce compliance with the current regulations  
24 and to minimize fraud. We are dealing with a lot of money  
25 here. And looking to the future, do we address

1 stakeholder concerns, some of them that have been raised  
2 in the near term or not.

3           So some of the options for addressing concerns  
4 that have been raised include simply administratively  
5 clarifying what the regulations intended to mean by the  
6 term or concept of agent. And we have Senior Staff  
7 Counsel here, Bob Conheim, who can expound upon options  
8 available there.

9           We could possibly adopt minor revisions to the  
10 existing emergency regulations, perhaps refining the  
11 concept of agent and what its provisions are, delineate  
12 its use. Perhaps provide limited options for source  
13 anonymous CEWs, otherwise eligible likely California  
14 source material that currently doesn't have the required  
15 source documentation associated with it. Or we could  
16 simply proceed with final rule making over the course of  
17 the next year and continue the deliberative process that  
18 the Board and program have used to get to where we are now  
19 that we used to develop the existing emergency  
20 regulations.

21                               --o0o--

22           SUPERVISOR HUNTS: Some other stakeholder  
23 suggestions that have come up as a part of the workshop in  
24 the course of just interacting with them, these are not  
25 necessarily tied to a particular identified problem.

1 They're more suggestions for improvements to the system or  
2 adjustments to the system.

3           One of the ideas was to allow certain quantities  
4 of anonymous material or undocumented material to come to  
5 the system, for instance, five, ten items at a time being  
6 transferred from consumers to collectors to minimize  
7 paperwork, maybe wouldn't have to be recorded. Clearly,  
8 that would reduce paperwork. But it was very, I would  
9 say, poetically described by one of our participants.  
10 We're talking about large volumes of materials that are  
11 made up of small increments. And once you have large  
12 volumes without documentation, how do you know where they  
13 came from.

14           We've been asked to, or it's been suggested, that  
15 we revisit past claims under new rules. You know, if the  
16 regulations do change, could we go back, or should we go  
17 back and look at claims that have been adjusted or denied  
18 or perhaps just simply grant amnesty for accumulated  
19 undocumented materials. We can talk about that more if  
20 you'd like to ask some questions about that.

21           And, conversely, some stakeholders are saying,  
22 look, that this is a new system. It's complicated. We're  
23 dealing with a universal waste here. The challenges that  
24 are being faced by some are simply growing pains. People  
25 are learning. The participation or performance is

1 improving. The program should just maintain course and  
2 see where we go from here.

3 --o0o--

4 SUPERVISOR HUNTS: So with that, I'd like to, if  
5 there aren't any questions -- I know there are  
6 stakeholders in the audience that likely want to address  
7 the Board on some of these topics. But are there any  
8 questions that we can field first?

9 CHAIRPERSON MARIN: I know that there were a  
10 couple of people that we for sure were expecting that they  
11 would speak on this. I'm going to call upon Chuck White  
12 first and then Mark and then Art.

13 MR. WHITE: Thank you, Madam Chair, members of  
14 the Committee. Chuck White with Waste Management. I've  
15 got some comments to make on some suggested areas of focus  
16 on revision.

17 But, first of all, I really want to indicate  
18 that, I mean, all our hats ought to be off to the job the  
19 Board and staff have done. To think this program didn't  
20 exist at all a few months ago, into something that the  
21 whole nation is looking at as an example for possible  
22 future things nationwide. So it's to your credit it's  
23 been a great program so far. And I don't think anybody is  
24 talking about wholesale shifts or changes, but I think  
25 it's time to look at some near-term adjustments to

1 hopefully make the program, we believe, a little more  
2 responsive.

3           The four areas I'd like to comment on are the  
4 agent refinement issue, is number one. Number two dealing  
5 with orphan wastes, that is wastes that are from  
6 California, or we believe to be from California but for  
7 which there is no generator name or address. Number three  
8 is a review of past claims. And number four would be  
9 enforcement and perhaps a greater degree of emphasis on  
10 fines and penalties, or even rewards for people that turn  
11 in information for successful prosecution, or perhaps a  
12 better way or additional way to ensure there is not  
13 fraudulent activities out there.

14           The first issue is in respect to agent. We  
15 commented fairly extensively when the emergency  
16 regulations were going through. Jeff pointed out that one  
17 section, Subdivision J1, where agent is undefined. We  
18 always thought early on when these regulations were  
19 adopted that agent would be interpreted very broadly.  
20 That is, if you're an approved collector under the system.  
21 You're complying with DTSC regulations. You're complying  
22 with your regulations. And you become an approved  
23 collector. And you're operating as a waste services agent  
24 for local government. That is, you're a franchise hauler.  
25 You're a contract hauler. You operate a permitted solid

1 waste facility, that these kinds of operations would be  
2 automatically de facto agents of local government.

3           And we went along believing that for a number of  
4 months into early 2005 until about in the March or April  
5 time frame it began to emerge that no, it was unclear  
6 whether that was right. There had to be some additional  
7 written documentation from local governments confirming  
8 that you're an agent. And as staff pointed out in their  
9 presentation, there was an uneven response across the  
10 state. Some local jurisdictions were willing to write  
11 letters saying you're authorized. Others won't.

12           We would really strongly suggest this Board go  
13 back and review that. Whether or not you add  
14 clarification as to what constitutes an agent or just  
15 throw the term agent and come up with some new language.  
16 We believe there needs to be a fix to this, and we believe  
17 it cannot wait for final regulation. We believe this is  
18 something that needs to be done in the near term as  
19 quickly as humanly possible. And we honestly don't have  
20 who should be included in this broader interpretation.  
21 But at a minimum, from the waste industry standpoint, we  
22 believe it ought to be franchised haulers that are  
23 providing waste services.

24           Any hauler that is providing contract services to  
25 local government, contract waste services, or permitted

1 solid waste facility that's subject to regular inspections  
2 and is permitted within the jurisdiction that it resides,  
3 we believe those kinds of facilities ought to be able to  
4 receive materials without having to worry about absolutely  
5 collecting the name and address after every single one.  
6 Because we're basically providing services to California  
7 customers to those communities in which we have contracts  
8 in which we serve. And we believe there's very low risk  
9 that you're bringing materials in from out of state to  
10 these kinds of operations.

11 So that's number one. We would urge that you  
12 revisit this term agent and hopefully broaden it as I've  
13 suggested.

14 The second issue.

15 COMMITTEE MEMBER WASHINGTON: Chuck, agent right  
16 now is local municipalities?

17 MR. WHITE: Well, the regulations say local  
18 government or their agent. But we believed in good faith  
19 when the regulations were adopted -- I think it was late  
20 2004 -- that you were going to interpret agent very  
21 broadly as if I'm an approved collector, CEW collector,  
22 through your program. I'm complying with DTSC  
23 regulations. And I have a contract or franchise or a  
24 permitted solid waste facility. I am a de facto agent  
25 automatically without having to secure any other

1 subsequent approval. It's just I would be an agent. And  
2 we actually operated that way for a number of months early  
3 on, which I want to come back to when I talk about  
4 revisiting past claims.

5           So but then emerged that wasn't enough, that  
6 there was a requirement or suggestion that we had to issue  
7 letters. And some jurisdictions were reluctant to issue  
8 letters, because they're worried about the liability that  
9 might come from issuing a letter. So it's been spotty  
10 across the state. But we have letters from many  
11 jurisdictions, Waste Management does. But other places we  
12 have been unable or just simply haven't been able to  
13 secure those. So it remains a question when we bring  
14 these units in and we don't have names and addresses, are  
15 we eligible for payments?

16           CHAIRPERSON MARIN: Let me interrupt you, Chuck,  
17 because this is very, very important. Walk me through a  
18 scenario. You're the hauler, and you by the fact are the  
19 agent. The City has said, "Okay. You will pick up my  
20 waste." So is it possible that the residents of that area  
21 put it on -- the day of their trash pickup, they put their  
22 CRTs there and you pick them up?

23           MR. WHITE: We have to go knock on the front door  
24 to get the name and address.

25           CHAIRPERSON MARIN: You do have the address, but

1 you probably would have the name of the person. So it  
2 would be a matter of convenience to people if they don't  
3 have to haul their waste to one particular site or  
4 recycler and so forth; right?

5 MR. WHITE: That's correct.

6 CHAIRPERSON MARIN: Is that what you envision?

7 MR. WHITE: I envision that. I envision if you  
8 have a drop-off program at your corporation yard for your  
9 citizens of the community you serve drop the units off.  
10 You have a permitted facility. As long as you're  
11 operating pursuant to a contract, a franchise, or you have  
12 a locally and State permitted solid waste facility, it  
13 seems to me those operations I would think have a low risk  
14 of bringing in wholesale quantities from out of state in a  
15 fraudulent manner. We believe that would be very  
16 unlikely.

17 And we believe that this ought to be something  
18 you should consider, broadening the scope of agent or  
19 whether you redefine it all together, to allow these kinds  
20 of operations to receive these devices without having to  
21 keep the detailed records. Because it really is putting a  
22 damper on the system in terms of recovery of these kinds  
23 of units.

24 CHAIRPERSON MARIN: Because some cities when they  
25 have their roundup hazardous waste programs, when they do

1 the once a quarter or something, that's when people come  
2 in. Cities are exempt from keeping those records,  
3 especially if one day they get 2,000 unit. They don't  
4 have to keep records. You usually work with the cities.  
5 You're working with the city right there and then picking  
6 up all of this.

7 MR. WHITE: We actually have agreements where  
8 we're operating dropoff household hazardous waste  
9 collection events. We have contracts with local  
10 governments. We may have a subcontractor come in and  
11 actually do the handling. But the question has arisen, is  
12 that sufficient, or do we still need to get a letter of  
13 authorization on top of that saying we're an authorized  
14 agent in addition to all the contracts and agreements that  
15 we've negotiated to provide that household hazardous waste  
16 services. So there needs to be clarity in the  
17 regulations.

18 CHAIRPERSON MARIN: I want to discuss this,  
19 because it would seem to me that for those cities that  
20 have one franchise hauler, that would make perfect sense.  
21 And it would seem to me that even the city would -- you  
22 know, it's only one person that is responsible for picking  
23 up all the waste.

24 What about we just heard from a city that has 27  
25 haulers. It's a small city, but they have 27 haulers.

1           MR. WHITE: But they're operating as waste agents  
2 for that city. To the extent they collect these devices,  
3 to the extent they're complying with DTSC regulations, to  
4 the extent they become an authorized hauler -- which is  
5 actually the way the regulations read. If you become an  
6 authorized collector and you're an agent of the city --  
7 our agents were operating under contract to collect waste.  
8 There shouldn't be any reason. Why can't all 26 of those  
9 haulers -- be authorized to do this through your  
10 regulations?

11           CHAIRPERSON MARIN: Why couldn't they? Let me  
12 ask my staff. Is that something we have contemplated?

13           SUPERVISOR HUNTS: There's no reason. There's  
14 nothing that prevents a hauler, transfer station,  
15 nonprofit from performing the role as envisioned of an  
16 agent. What has occurred, or what has evolved, is a need  
17 within the system and a need by Program to understand that  
18 when an entity, an approved collector, participating in  
19 the system is performing this role on behalf of local  
20 government, that they are, in fact, designated to do so.

21           Chuck makes a real good and compelling point,  
22 that if you're already providing these services, why not  
23 by default be an agent? The thing is a recycler who might  
24 be receiving that material from an approved collector  
25 doesn't know what capacity that collector is operating in.

1 And State Program who will be reviewing the payment claim  
2 doesn't know what the existing agreements are. Many of  
3 these agreements are decade long or longer franchise  
4 agreements that may or may not provide for the handling of  
5 hazardous waste and certainly, in many cases, pre-date the  
6 establishment or envisionment of SB 20 and the financial  
7 benefits that go along with that.

8           So what Program did is suggested that some  
9 documentation be provided that an approved collector who  
10 is acting in the capacity of an agent of local government  
11 provide evidence. And we did post a sample letter through  
12 the website that could be used. It contained areas of  
13 delineation, such as scope, time frames, customers, so  
14 that any recycler receiving material from that collector  
15 could confidently do so, understanding this material and  
16 its lack of names and addresses is, in fact, eligible  
17 within the system.

18           CHAIRPERSON MARIN: Okay. So what is wrong with  
19 that, Chuck? I mean, I understand -- see, I'm trying to  
20 get to the crux of it. Because if what you are  
21 advocating, Chuck, is that any and all who are a current  
22 contract hauler, any kind of waste, period, automatically,  
23 just because they have had a permit to be a contract  
24 hauler, they automatically be designated an agent of the  
25 city. That's your position.

1           MR. WHITE: And the whole purpose of this keeping  
2 names and addresses was to make sure it's, number one, a  
3 CEW that comes from within California and is generated as  
4 a waste after January 1. If you're providing solid waste  
5 services under permit or contract with a local government,  
6 you're providing it to that community. You're not  
7 bringing in waste from out of state. You could lose your  
8 franchise contract or be subject to fines and penalties if  
9 you violate -- if you're caught violating the law.

10 Bringing stuff from out of state under your agreements,  
11 you could lose the ability to provide those services.

12           So, you know, it's extremely unlikely, in my  
13 personal opinion, that franchise haulers, contract haulers  
14 are really the problem here. We're not the ones going to  
15 be bringing stuff in from out of state. We're going to be  
16 bringing stuff and serving the communities for which we  
17 have services. And the whole focus of this effort is to  
18 make sure you keep materials from out of state.

19           And I think a refocusing of your program on  
20 enforcement and ensuring that it's understood it's illegal  
21 to bring in stuff from out of state, that there's fines  
22 and penalties associated with that and that there's  
23 rewards for people that turn in people that are bringing  
24 in stuff from out of state, I think is a much more  
25 effective way to ensure compliance with it, rather than

1 having everybody write down names and addresses when  
2 you're already providing services within a local community  
3 for that community.

4 CHAIRPERSON MARIN: Okay. Bob, you were going to  
5 mention something.

6 STAFF COUNSEL CONHEIM: There are two areas I  
7 think we ought to consider as we discuss this.

8 Number one, use of the term agent as a word  
9 causes city attorneys and County Councils to have  
10 nightmares and stay up at night, because law surrounding  
11 who is an agent of somebody involves a lot more than we  
12 ever intended. So one of the concerns that we have is  
13 that we clarify either administratively through a  
14 listserve memo or an interpretive guideline, not an  
15 underground reg, but something that follows the regulation  
16 itself and explains what we mean, that all we meant was  
17 somebody acting in the capacity as the representative of  
18 the local government to perform these services.

19 Many of those might be -- this is the second  
20 point. Many of those might be already permitted,  
21 contracted, or franchised haulers or facility operators.  
22 I still think that we'd need some additional validation or  
23 verification from the local government. Because,  
24 otherwise, we become the umpires and referees of whether  
25 this particular 400-page franchise agreement actually when

1 written in 1980-something or other actually includes the  
2 pickup of household hazardous waste or electronic waste.  
3 That may be farfetched, but we don't know yet.

4 So I don't think it's absolutely as simple as  
5 Chuck says, although I think he makes a very good point.  
6 We're trying in a kind of orderly process to get to  
7 clarification so that we can provide the kind of relief to  
8 local government. Remember, this was always about  
9 encouraging local government.

10 CHAIRPERSON MARIN: Let me ask you this, and  
11 maybe staff would have this figure. Of all the 535 local  
12 entities that we deal with, how many of those already have  
13 designated at least one agent?

14 BRANCH MANAGER WILLD-WAGNER: We haven't had the  
15 participation we thought we would from the 535 local  
16 government designations to begin with. We have not had  
17 the kind of participation way we thought we would. I  
18 don't think I have the statistics at all on what would be  
19 the number that have designated agents.

20 CHAIRPERSON MARIN: How many agents do we right  
21 now have?

22 SUPERVISOR HUNTS: That's a very good question.  
23 And I'll point back to, since we did not see our  
24 regulations go into any definition or dileation of the  
25 requirement of being an agent and specify that you must

1 register with the State, we learn about agents when a  
2 payment claim comes in. The letter is associated with a  
3 particular collector, approved collector's collection log  
4 that documents the activities that resulted in that  
5 accumulated material. And, therefore, that recycler who  
6 received it could process it confidently and submit a  
7 claim with us.

8 CHAIRPERSON MARIN: What I'm trying to get at  
9 here is right now okay -- why we haven't had the cities  
10 determine who their agents are? Or why haven't all of  
11 these agents or potential agents have gone to the cities  
12 to say, "Hey, listen. I need you to declare me an agent  
13 so I can do this for you." I mean, it would seem to me  
14 that -- I understand the legal ramifications. But on the  
15 other hand, it would seem to me that that is something  
16 that the cities would want. It's not making sense to me.

17 STAFF COUNSEL CONHEIM: Madam Chair, city  
18 attorneys and County Councils, even when they spotted the  
19 problem with the use of the term agent, nothing in our  
20 regulations, nothing in anything we ever said to them when  
21 they called, would have prevented them from watering down  
22 their own letter so that it only gave a designation or an  
23 acknowledgement that somebody was providing these services  
24 on behalf of the local government.

25 On the other hand, the city attorneys and County

1 Councils are risk adverse and that's their job, as you  
2 well know having governed a city, and they found this to  
3 be a problem.

4           So the problem with asking us a question like  
5 this, and it's a very good question, is we don't know what  
6 we don't know. The information doesn't come in. And  
7 what's out there, we don't know what they're thinking. We  
8 only hear anecdotes about it was difficult for this city,  
9 or this hauler couldn't get a letter.

10           CHAIRPERSON MARIN: Okay. Well, we obviously  
11 need to work on this. We have quite a lot of people that  
12 want to -- we have to do something, though. We need to  
13 come to grips with it one way or another.

14           MR. WHITE: There needs to be something done,  
15 because there's a million different interpretations out  
16 there depending which jurisdiction, what hauler and those  
17 kinds of things. It would be helpful if the Board would,  
18 to the extent you can, breath some clarity in this issue  
19 as to what constitutes an agent or use another term. We  
20 simply suggest from the waste industry standpoint it ought  
21 to be franchise haulers, contractors, and permitted  
22 facilities ought to be considered agent or something like  
23 an agent to the extent you're providing services there.

24           CHAIRPERSON MARIN: I promise you that our legal  
25 eagles of our entire department will come up with

1 something that will be workable for the cities.

2 MR. WHITE: The second point I had was with  
3 respect to orphan waste. And whether or not you're a  
4 contract or franchise or just simply a business out there,  
5 you invariably have materials, CEWs that are dropped off  
6 that are orphan waste. You don't know who they are.  
7 There needs to be some provision that you're able to have  
8 a certain percentage or some amount of orphan waste  
9 accepted under the program. And to the extent someone is  
10 bringing in truckloads of orphan waste, that's obviously a  
11 source of concern.

12 CHAIRPERSON MARIN: I agree. I don't know  
13 whether we discussed this, but there is something that  
14 retailers do all the time where we have a percentage of  
15 their goods that is damaged or percentage --

16 MR. WHITE: Some kind of de facto percentage like  
17 a 10 percent solution like we've had in some discussions.  
18 There ought to be some latitude, because this is an  
19 emergency rule making process. We're all learning about  
20 how this works. If you do allow some 10 percent limit,  
21 allow some flexibility. A default, a case-by-case  
22 opportunity if someone comes in and they have 12 percent,  
23 there's a way to get some authorization of that separate  
24 from the default level of 10 percent.

25 CHAIRPERSON MARIN: Well, I would rather have the

1 default be very, very low and then look at it  
2 individually. Because what I also can tell you is that  
3 there will be people that will automatically claim a 10  
4 percent, and they don't have to do that. We have found  
5 when money is involved, people become very creative, I can  
6 tell you that.

7 MR. WHITE: The third point I had was review of  
8 past claims. To the extent you do give some clarification  
9 in the area of agent or in the area of orphan waste, we  
10 would ask that you go back and reapply that criteria to  
11 the claims that were submitted from the first of the year.

12 As I indicated in my opening remarks, we believe  
13 coming out in January of '05 this year that agent was  
14 going to be interpreted broadly. To the extent we had  
15 franchise agreements, to the extent we had contracts, we  
16 would be viewed as an agent. And now it turns out those  
17 units we collected during that first quarter until March  
18 or April are open to some question. And we would like to  
19 be able to go back and have those claims revisited under  
20 whatever new criteria, new clarification that the Board  
21 brings forward, which would be not only going forward but  
22 also looking back to the first of the year. We would just  
23 simply ask you do that.

24 And my fourth and final comment briefly is that  
25 this idea of collecting names and addresses as a way of

1 preventing fraud is fine. But the real focus ought to be  
2 on fines and penalties and prosecution of people and I  
3 believe modestly some kind of reward systems. To the  
4 extent someone turns in someone that is -- and they're  
5 successfully prosecuted for a violation of bringing stuff  
6 in from out of state, that's what's going to limit your  
7 fraudulent behavior.

8           If there's a threat of penalty and the fact  
9 there's a reward system for people turning in fraudulent  
10 purveyors that are successfully prosecuted, I would humbly  
11 suggest you consider refocusing some of your efforts to  
12 prevent fraud in that direction, rather than worry about  
13 collecting long lists of names and addresses. I think  
14 that would be a better way to go.

15           Those are the four points. Be happy to work with  
16 you. You know, we'd like to have some further discussions  
17 on how we can work this out to make sense. We want to  
18 have this program be a success. You've collected \$30  
19 million. You've only written checks for six or seven.  
20 You have claims of ten. We want to have this thing be  
21 fully utilized. There's a lot more units out there that  
22 aren't being collected. You need to find ways to open up  
23 the system to bring in legitimate California CEWs into the  
24 system sooner rather than later. Thank you.

25           CHAIRPERSON MARIN: Thank you.

1 I will tell you though that just because we have  
2 collected \$30 million, it doesn't mean that we need to  
3 give back all the \$30 million. We know we had some waste  
4 out there that it was in people's garages and so forth,  
5 but eventually all of those would need to be reimbursed.  
6 And that doesn't mean just because we have some money  
7 available it should be zero, the account at zero.

8 MR. WHITE: I agree with you 100 percent there's  
9 a huge volume of CEWs out there that are not appearing.  
10 My worry is that someone -- and I've heard rumblings to  
11 this effect we don't need to have these 6 to \$7 fees on  
12 the front end. They can be reduced to 3 to \$5 at the  
13 front end, because we're not spending all the money.

14 CHAIRPERSON MARIN: Somebody doesn't understand  
15 what the program is.

16 MR. WHITE: By the time it comes, you're not  
17 going to have the money. We need to figure out a way to  
18 move the money out legitimately to the lowest risk  
19 activities that are collecting these devices from within  
20 California.

21 CHAIRPERSON MARIN: We haven't collected all the  
22 money all these years for all of this equipment. If one  
23 day everybody decides to just get rid of all that, \$30  
24 million is not going to be enough. And if somebody  
25 doesn't understand that math -- I don't know where the

1 rumble is you're hearing, but I can certainly talk to  
2 them, because they don't understand. There will be more  
3 money we will need, not less.

4 Mr. Bob Conheim.

5 STAFF COUNSEL CONHEIM: Madam Chair, just for the  
6 record, as long as we're talking about the amount of the  
7 funds and its obligations, remember the Board of  
8 Equalization gets a huge chunk of that. So what we've  
9 collected isn't ours to give away.

10 CHAIRPERSON MARIN: Okay. Okay. I'm going to  
11 ask Mark Murray to come before us.

12 MR. MURRAY: Good afternoon, Madam Chair,  
13 Members. Mark Murray with Californians Against Waste.

14 I want to just start off by concurring with  
15 Mr. White's sentiments that I think your staff and the  
16 Board has done a fabulous job of implementing this program  
17 to date. Given where we were a year ago, it's really  
18 quite amazing that we're left quibbling over some of these  
19 details. And I think basically these issues represent a  
20 bump in the road. This program has already demonstrated  
21 itself to be a successful program.

22 I think there are folks across the country that  
23 are looking at this program as a model. And I know that  
24 Shirley has had an opportunity -- we talked to some of  
25 those states. I had an opportunity to talk to some of

1 those other states. Folks are very interested in looking  
2 at this California model and expanding the model to other  
3 states.

4 I think your staff and your presentation today  
5 correctly identified the issues that need to be looked at.  
6 And Chuck went through that list. I don't think there's  
7 any disagreement about what those issues are. I think  
8 that what we are asking is that the Board, in addition to  
9 pursuing final regulations, permanent regulations that  
10 deal with the entirety of the regulations, that there are  
11 basically four or five issues that need to be addressed  
12 either through a second set of emergency regulations or  
13 through some administrative action.

14 As you may be aware, some three weeks ago, four  
15 weeks ago, we approached your staff with a legislative  
16 proposal to attempt to fix some of these issues. And Mr.  
17 Leary and Mr. Conheim were successful in persuading us  
18 that these issues could best and more thoughtfully be  
19 developed and addressed through an administrative process,  
20 which again might include some combination of  
21 administrative re-interpretation as well as a parallel  
22 track for emergency regulations. And we are here  
23 deferring to that process. We did not pursue the  
24 legislation for this year. And, instead, we are deferring  
25 to this process, and we think that's the best, most

1 thoughtful way of addressing it.

2 I think staff has correctly identified the  
3 issues. On the Power Point presentation, the final --  
4 I've got these listed as the options for addressing  
5 concerns. I've got that listed as A. We agree with those  
6 issues that have been identified that need to be the  
7 subject of this administrative action or emergency  
8 regulations.

9 And we would simply ask that some of the items  
10 that are under what I'm calling B, other stakeholders  
11 suggestions, that those issues, allowing anonymous  
12 transfers of small quantities of CEW from consumers and,  
13 number two, revisiting past claims under new rules or  
14 grant amnesty and pay for accumulated or undocumented  
15 CEWs, we think that those issues should be the subject of  
16 an administrative process, a thoughtful process, so we can  
17 act prior to permanent regulations.

18 You've gone through some of the examples. I  
19 won't belabor the point other than to mention that Chuck  
20 put a lot of time and thought into the local agent issue.  
21 I just want to highlight a couple other areas that affect  
22 other non-waste hauler entities.

23 Number one, Good Wills, nonprofits, thrifts who  
24 we know were getting stuck with this material, in fact,  
25 many of those enterprises had to close their door to

1 electronic waste because they were getting inundated with  
2 this material prior to the law and were having to incur  
3 the tipping fee to deal with it. They've now opened the  
4 door to e-waste but are still getting material left at  
5 their door overnight. No one is leaving their name and  
6 address when they're dropping the materials off at the  
7 collector.

8           So we need to have some mechanism for those  
9 nonprofit entities though thrifts that are, for good or  
10 ill, presenting themselves as a place to drop off e-waste  
11 to recognize that it's not always possible for them to get  
12 a name and address for that material. Similarly, there  
13 are electronics retailers, folks that have set up drop-off  
14 points at their points of sale who are not collecting  
15 information from consumers. They're not acting as the  
16 handler or collector. They're contracting with a separate  
17 collector. In some instances, that collector is actually  
18 a manufacturer of devices that is facilitating the  
19 recycling of those devices.

20 Some of those partnership programs we want to encourage  
21 don't have a mechanism for collecting the information from  
22 consumers.

23           And finally, as Chuck noted, there are the  
24 transfer station situations, some of which are  
25 franchisees, some of which are not, whereby these folks

1 are operators, these waste handlers are doing what we're  
2 asking them to do, pulling the hazardous waste out of the  
3 waste stream. And because nobody put their name and  
4 address of the material they illegally disposed, there's  
5 no mechanism for getting reimbursed for those devices. We  
6 believe it was the intent of the legislation to encourage  
7 each one of these three activities. And because these  
8 folks haven't figured out a way to get a reimbursement for  
9 that payment, we're now discouraging that activity. So,  
10 again, I think this is a worthwhile issue to be addressed  
11 by some combination of administrative action and emergency  
12 regulations.

13           We were very appreciative of Mr. Conheim's  
14 creatively in terms of exploring possibilities for  
15 addressing this issue when we met with him some two weeks  
16 ago on this issue. And we think your staff can continue  
17 that creativity in coming up with a solution.

18           Again, we think the program is working quite  
19 excellently, with the exception of these bumps in the  
20 road, and we think there are things that can be resolved.

21           We did do a survey of recyclers in the state to  
22 identify what is happening out there as best we could.  
23 Obviously, some recyclers are reluctant to provide us with  
24 volume and dollar information. But I think there is a  
25 finite amount of material right now that is being

1 collected and has made its way through the recycling  
2 system for which recyclers and collectors are not being  
3 eligible for payment. I don't think that amount is  
4 anything that's going to create any kind of drain on the  
5 fund. I think we're talking about something maybe in the  
6 1 million to \$2 million range based on the survey we did.  
7 I would encourage you to maybe ask your staff to  
8 do the same kind of survey to just get a sense of the  
9 problem and to assure those folks that are paying the fees  
10 right now, that addressing this issue is really just a  
11 mechanism for smoothing out some of the wrinkles in the  
12 program and is not going to create some huge drain on the  
13 program. No one wants to see us making payments on  
14 devices from out of state. We want to make sure that the  
15 devices that are generated in California, that a payment  
16 is made on those devices. Appreciate your time and  
17 thoughtfulness on this.

18 CHAIRPERSON MARIN: Thank you. Thank you for  
19 your thoughtfulness.

20 Art Victor, please. You're representing Apple  
21 Computers.

22 MR. VICTOR: Yes. Madam Chair and Committee  
23 members, my name is Art Victor. I manage Apple Computers  
24 recycling program as a State authorized collector. I'd  
25 like to take this opportunity to share our experience and

1 data as a State authorized collector.

2           As a participant in the system for over the last  
3 eight months, Apple Recycling has collected 2500 CEWs from  
4 1500 participants totaling over 100,000 pounds. The total  
5 number of anonymous source materials dropped off during  
6 this time period has been six: four CRT monitors and two  
7 televisions. Our collection center is well known to area  
8 residents, as this site has served for the City of  
9 Cupertino's e-waste collection facility for the last three  
10 years serving the areas' residents on Mondays, Wednesdays  
11 and Fridays from 8:00 a.m. to 4:30 p.m. The program is  
12 well advertised on the City's website as well as local  
13 publication.

14           During this three-year period, the recycling  
15 center has served over 3500 residents and processed nearly  
16 300,000 pounds of electronics. Our experience with  
17 anonymous source materials over the last three years has  
18 been similar to the last eight months, only diminimous  
19 quantities. We believe that the success of this program  
20 is dependant on keeping fraud out of the system, and have  
21 not had an issue with documenting any of the materials  
22 that we've collected to this point.

23           We believe that there is a room for people who  
24 are morally or legally obligated to collect materials such  
25 as materials that are dropped off on the road sides or

1 left at a Good Will collection site during the evening,  
2 that there is room for them to have non-documented source  
3 material but would suggest -- and it is a very diminimous  
4 quantity based on the numbers we've seen over the years.  
5 Thank you.

6 CHAIRPERSON MARIN: It's very impressive what you  
7 have done and what you are doing. That's an eye opener.  
8 That is amazing. I would tend to agree. I think that for  
9 organizations like yours that are a recycler, you're  
10 following not only the letter but the spirit of the law.  
11 And to see only six items --

12 MR. VICTOR: Six devices total out of 1500  
13 participants that have dropped off over the eight months.

14 CHAIRPERSON MARIN: Wow.

15 MR. VICTOR: And I just wanted to point out this  
16 is a well publicized program that all the area residents  
17 have known about for three years and is on the City's  
18 website, is published in local publications. And so we've  
19 had six devices over these years.

20 CHAIRPERSON MARIN: Wow. Very impressive.  
21 Congratulations. You had no problems. We have been  
22 paying you your money; right?

23 MR. VICTOR: Absolutely.

24 And one more point I'd like to make as well.  
25 Even though we are acting as an agent for the City of

1   Cupertino, we continue to document every one of the  
2   residents that drops off. So we are not using the agent  
3   clause, as we feel this information is very valuable to  
4   the success of this program and want to continue  
5   discouraging fraud through the proper documentation of  
6   these devices.

7           CHAIRPERSON MARIN: Mr. Victor, this is amazing.  
8   Congratulations. Thank you so very much for doing such a  
9   fantastic job. We can use you as an example now.

10          MR. VICTOR: Thank you.

11          CHAIRPERSON MARIN: Thank you for taking the  
12   time.

13          Okay. Mr. Ron Proto from Hayward, California,  
14   from E-Recycling.

15          MR. PROTO: Thank you, Madam Chair and members of  
16   the Committee. My name is Ron Proto. My client is  
17   E-Recycling of California, and I'm representing them  
18   today. But I think I'm also representing unofficially all  
19   the recyclers and collectors who face the same problems  
20   that we do that aren't here today to speak for themselves.

21          And basically our issues are not any different  
22   than the issues brought up by Chuck White or by Mark  
23   Murray. Two basic ones are the logging of the names and  
24   addresses and also reimbursement for past claims.

25          Now, if you recall, on November 9th, 2004, I came

1 before the Board and commended your staff for putting  
2 together these regulations. I thought they did an  
3 admirable job, because many of the meetings, as they can  
4 attest to, were contentious at best. However, at that  
5 time I cautioned that the names and address issue was  
6 going to be a big deal.

7           When I went outside after the regulations were  
8 adopted, I spoke with the staff, and they at that time  
9 mentioned -- we are all new to this, remember. They  
10 mention, you know, "Ron, we're not concerned with the  
11 onesy, twosy. And we're not concerned with the fives and  
12 tens. We're concerned with the truckloads." And naively  
13 I said, "That's pretty good." But, you know, a lot of the  
14 material comes in in ones and twos. And, yes, I think  
15 Jeff said or Bob said but, yes, it's accumulated into  
16 truckloads.

17           Now, these regulations contain 16,000 words,  
18 actually, 15,820 if you do the word count on Microsoft  
19 Word. But there's only three words that are giving us  
20 trouble, name and address. Name and address haunts us.  
21 It's doubtful that the material that has come into the  
22 system that doesn't have names and addresses is really  
23 from out of state. I doubt very much that the collectors  
24 and recyclers rushed across the border to pick material up  
25 and bring it back here because there was a ton of it here

1 to deal with. And it's doubtful there were trucks just  
2 waiting for this to happen on January 1st.

3           However, there were opportunities where we,  
4 E-Recycling of California, actually turned away  
5 truckloads. But that's not where the issue is. That's  
6 easy to deal with. It's the transfer stations. It's the  
7 landfills. It's the nonprofits.

8           You know, we get logs from nonprofit groups, and  
9 my heart goes out to them. Because at first we weren't  
10 getting any logs and have all this material that's in  
11 jeopardy of not getting paid for it. Then we're getting  
12 logs. And the fellow tells me, "You know, Ron, our people  
13 are not literate. Some of them are not literate. They're  
14 not even literate in their own language, let alone  
15 English. We get logs back, one microwave, popcorn popper.  
16 They don't understand what they're trying to get at.

17           You and I think it's simple. We know what a CRT  
18 is. We know what covered electronic waste is. When you  
19 get someone from a nonprofit collection station, they may  
20 not truly understand what that is. And they have a hard  
21 time. In addition to people saying, "I'm not going to  
22 give you my name and address." They don't do it so much  
23 with the nonprofits, because they don't have to. Now they  
24 do.

25           But when you go to Good Will or Salvation Army,

1 they give you a piece of paper. They never used to ask  
2 you for your name and addresses. And you can fill it in  
3 any way you want. You go to a transfer station -- in all  
4 due respect to Apple computer -- and I've been a Mac user  
5 since day one when the woman through the chain at the  
6 thing in 1984.

7 But that 2500 is like 15 units a day. I mean,  
8 that's a lot. But when we're talking about hundreds and  
9 thousands of units coming in, when you're at a transfer  
10 station and there are 20, 30 cars in line and somebody is  
11 trying to get the name and address for a CEW and the  
12 person is saying, "I'm not going to give it to you,"  
13 well, you don't give it, you can't come in. Thank  
14 goodness they took those in. Because what would have  
15 happened if they didn't? Would they have found their way  
16 on the side streets? At the city park? On rural roads?  
17 We don't know that.

18 I think the staff, and I'm hopeful the Board,  
19 gets the message about there has to be some kind of relief  
20 on the logging. Because if you take a look --

21 CHAIRPERSON MARIN: What do you mean by relief?

22 MR. VICTOR: Relief. What do I mean by relief?

23 CHAIRPERSON MARIN: No name and address, there  
24 should be no logs?

25 MR. VICTOR: No. Not totally. Like Chuck White

1 says, if it's coming from a transfer station that has a  
2 solid waste facility permit, you know where the material  
3 comes from. They have to report annually where the  
4 material comes from. Just generally. I don't know if  
5 they have to do it specifically. Transfer stations are  
6 the same thing. Good Will, let's take Good Will Oakland.  
7 Anthony, he runs Central Supply, is just pleading with me.  
8 Do you really think the material that goes into the  
9 Salvation Army in Oakland is from out of state. It's  
10 doubtful. When you talk to the staff -- and I give them  
11 the example San Francisco, Fresno, I agree with you, Ron.  
12 It doesn't come from out of state. It's doubtful.

13 But here come those three little words again,  
14 name and address. You don't have them. So there has to  
15 be some kind of relief. We have an internal policy. If  
16 it's more than ten units from a resident, if it's more  
17 than 50 units from a business, we require supplemental  
18 documentation. I think that's a fair break. In fact,  
19 when I get letters, sometimes I call them. In fact,  
20 Shirley has told me her staff, maybe perhaps her, has  
21 called customers to make sure they're actually doing it.  
22 So there's ways to check and balance it.

23 I don't want to beat a dead horse -- or I hope  
24 it's alive. I believe it's alive, but I don't want to  
25 beat this horse about relief on the logs. I think there

1 will probably be more said about it. But I do want to  
2 turn now and address reimbursement for past claims. When  
3 the regulations created this agent, they provided cities  
4 and their agents an unfair competitive advantage. If you  
5 were lucky enough to get the city to make you an agent,  
6 you didn't have to turn away any customers. You didn't  
7 have to -- you could take them, because you're an agent.

8           Those of us that were not agents or cannot become  
9 agents didn't have that luxury. So the regulations  
10 created an unfair competitive situation. I don't know if  
11 there's a law against that, but there ought to be a law  
12 against that.

13           There has to be a way that the staff and the  
14 recyclers and collectors can determine if the material  
15 truly was a California source. I mean, it's pretty easy  
16 to determine most locations. I would imagine there are  
17 some locations it would be difficult to determine that.  
18 But if that material was a California source, it should be  
19 reimbursed.

20           I had to smile when I read the staff report, and  
21 I'm reading the staff report. It talked about some  
22 business models, you know, they took the cautious road and  
23 maybe they turned away business. And then there were the  
24 other business models that violated the regulations and  
25 went out and took the material and processed it and can't

1 get paid.

2 I've been dealing with regulations for probably  
3 40 years. This is the first time I have ever heard of  
4 someone who has violated a regulation that has benefited  
5 the state of California and has benefited the environment.  
6 The State, DTSC, the Board got what they were trying to  
7 do. And that is to divert material from the landfill.  
8 And it's been very successful. There's no question about  
9 it. Unfortunately, the first four, five, six months it  
10 was at the collectors' and recyclers' expense.

11 We're not talking about all the big recyclers and  
12 collectors. I can give you names of small recyclers and  
13 collectors. What about Julie down in Fresno who got her  
14 material from Amvex or from the Rice Road Landfill? It's  
15 pretty certain that that material is a California source.  
16 She can't get reimbursed from it. She's in a world of  
17 hurt. And that's just one of many examples.

18 I would hope that you could find it to give  
19 relief to those companies, collectors, and recyclers that  
20 truly had California source material, but may not have had  
21 those three letters words, name and address. Thank you  
22 very much.

23 CHAIRPERSON MARIN: Thank you, sir.

24 The next person would be Katherine Brandenburg,  
25 then Tom Hogyue, and George Eowan. And you are with the

1 Flanigan Law Firm.

2 MS. BRANDENBURG: I'm Katherine Brandenburg with  
3 the Flanigan Law Firm. And I'm representing the Institute  
4 of Scrap Recycling Industries.

5 I'd like to thank staff and also the Board. We  
6 think the staff has done an incredible job with these  
7 regulations. But I'd like to echo the same sentiments  
8 that Chuck White, Mark Murray, and the gentleman right  
9 before me with E-Recycling that we do want to have the  
10 term agent re-looked at. We believe clarification needs  
11 to be made on that issue. We also would like to look at  
12 the orphan waste issue, the process. We'd like to just  
13 see how the orphan waste, the agent, revisit it. Because  
14 we think once that has been revisited, then the past  
15 claims that have been denied these last few months should  
16 also be re-looked at and taken into consideration with  
17 their terms. So without being redundant, restating  
18 everything all the previous speakers have said, thank you.

19 CHAIRPERSON MARIN: Thank you, Ms. Brandenburg.  
20 That is difficult. I can't say it, Brandenburg.

21 I think a couple of things are becoming very  
22 clear to me.

23 Next person is Tom Hogyue.

24 MR. HOGYUE: Madam Chair, Committee members.

25 CHAIRPERSON MARIN: I probably mispronounced your

1 name.

2 MR. HOGYUE: It's Hogyue, like sandwiches.

3 CHAIRPERSON MARIN: Oh. You are with ECS  
4 Refining.

5 MR. HOGYUE: Thank you, ma'am. I'm sure glad I'm  
6 not Judge Roberts today. Watched some of that in the  
7 lunch room.

8 I only had three things to say until our previous  
9 speaker spoke, and now I have five.

10 Madam Chair, Members, ECS refining is a fully  
11 permitted secondary smelter, a TSDF for lead who has been  
12 recycling electronics, cathode ray tubes and all other  
13 electronic circuit boards and peripherals into the  
14 Silicone Valley for over 25 years in the same place.

15 Now, it's strange. We are a recycler and we  
16 really should be in favor of Mr. Proto's comments and  
17 Mr. White's, because we would prefer no documentation or  
18 less documentation because of the volumes we could receive  
19 with that type of -- we'd have less risk for rejection of  
20 payment. And then, of course, we'd have a reduction of  
21 paperwork. And our CFO would probably be able to get on  
22 with his normal affairs. But, morally, we feel it's  
23 incomprehensible to support unscrupulous collectors who  
24 usurp the law for whatever reason.

25 By the way, in defense of Mr. Victor, not that

1 I'm -- I don't know if I'm allowed to say this, Art, we  
2 did a collection event for Apple -- actually for seven  
3 cities which Apple donated a facility. We did over 864  
4 cars in about eight hours. Typically, a collection event  
5 does provide service to about 100 cars an hour, about 112  
6 pounds per car. And we collected names and addresses from  
7 everybody. No problems. And I would venture to say no  
8 one waited more than five minutes to give us that  
9 information. We had two grumpy people. One actually was  
10 really upset with his wife because she destroyed his  
11 favorite headphones.

12 But let me give you a couple of examples about  
13 why we feel unbelievably that source documentation is of  
14 grave concern. We had a customer, Express Point. They  
15 are a national monitor repair company with two locations,  
16 one in California and one in Minnesota. In 2002, summer  
17 midyear, we entered a contract with them providing  
18 services for electronic waste and monitor recycling, CRT  
19 recycling. We charged 40 cents a pound for the sound  
20 disposal of those devices. In 2002, we collected 9,227  
21 pounds. It was midyear. In 2003, we collected 33,663  
22 pounds; and 2004, 17,634 pounds.

23 Beginning in 2005, we went to them and said, hey,  
24 we got a new law, SB20. If you have any California source  
25 material, we'll provide you with a collection log. You

1 provide us with the source documentation. We do not have  
2 to charge you for that material any more. They thought it  
3 was a pain in the neck. They said, "We don't want to fill  
4 out the log. We'll be happy to pay you your 40 cents a  
5 pound." So up until March of 25th, 2005, we collected  
6 8,338 pounds, which they paid us for.

7 Couple months later a collector approached us.  
8 We had not seen any shipments from our customer, Express  
9 Point. And it turns out the collector was giving us --  
10 oh, about by the way, all this material was out of state,  
11 most of it. So then we received a collection log from a  
12 collector with Express Point. Same waste we would  
13 normally receive, picking it up. We rejected the load.  
14 We lost the customer. We lost the collector.

15 By the way, Trace Lamburg is our payment claims  
16 adjuster. And I would venture to say our accuracy has  
17 been about 99 percent. And we do a lot of business with  
18 Good Will, name and address.

19 We also had done business with a worldwide  
20 electronics OEM, actually make electronic components.  
21 Their material was received by us through an environmental  
22 services company. This environmental services company did  
23 a lot of business with them out of state, Oregon, Arizona,  
24 Nevada, and in California. Ironically, the materials we  
25 got from them, 90 percent of those materials came from

1 Oregon. About 10 percent of those materials came from  
2 Arizona. In 2004, Madam Chair, from this company, which  
3 is a California company, we recycled 238,648 pounds of  
4 monitors in 2004. All of these devices came from out of  
5 state.

6 In 2005, the environmental services company that  
7 had that contract lost the contract. We noticed that the  
8 materials that we were normally receiving we were not  
9 receiving any more. We got a collection log a couple  
10 months later with a lot of material from the same  
11 corporation. We had to reject the load because we knew  
12 that material was from Oregon and Arizona.

13 In 2005, we actually recycled 53,078 pounds of  
14 non-CA devices. The State has records from this company  
15 before we lost it to a collector who tried to provide us  
16 with a log saying that this material came from California.  
17 I think our percentage of abandoned material is about 1  
18 percent.

19 I can applaud the staff. As a recycler, we'd be  
20 happy to have no documentation or less documentation. It  
21 would sure make our job a whole lot easier. But we're a  
22 fully permitted facility that has a grave concern for the  
23 environment and our financial situation here in  
24 California. We don't want to make it any worse by  
25 allowing other people to provide materials to us

1 unscrupulously. Thank you.

2 COMMITTEE MEMBER WASHINGTON: I have a question  
3 for you. What do you do with the abandoned material that  
4 you do have, the 1 percent of abandoned material, what  
5 happens with it?

6 MR. HOGYUE: The CRT devices?

7 COMMITTEE MEMBER WASHINGTON: Yeah.

8 MR. HOGYUE: We're a permitted lead waste  
9 treatment facility. We do the same thing with our  
10 abandoned materials that we would -- you mean in  
11 processing or payment?

12 COMMITTEE MEMBER WASHINGTON: Processing.

13 MR. HOGYUE: Same thing. It's hand disassembly,  
14 shredding of glass, shredding of circuit board materials  
15 to smelters.

16 COMMITTEE MEMBER WASHINGTON: What happens, just  
17 a quick worst case scenario here. What happens if you go  
18 back to your office and there are 50 computers someone  
19 just left at your building? You don't have any idea how  
20 to get the name and addresses from those folks. What  
21 would you do with those 50 computers?

22 MR. HOGYUE: If they have a date code of 1999 or  
23 better, I can sell them.

24 COMMITTEE MEMBER WASHINGTON: What if they're no  
25 good?

1           MR. HOGYUE: We'll recycle them. We're running  
2 over a million pounds of material through our plant every  
3 month.

4           CHAIRPERSON MARIN: You're not going to request  
5 payment from us?

6           MR. HOGYUE: From our customer, absolutely. We  
7 hit them good. We charge them a lot of money.

8           CHAIRPERSON MARIN: I don't understand. If  
9 somebody comes in and drops 50 units in front of your  
10 office --

11          MR. HOGYUE: And we don't know about it?

12          COMMITTEE MEMBER WASHINGTON: You don't know  
13 about it.

14          MR. HOGYUE: We don't ever get 50, but we'll get  
15 two or three or five.

16          CHAIRPERSON MARIN: And you don't request payment  
17 from us for those?

18          MR. HOGYUE: Ma'am, a million pounds of material  
19 a month, you know, when you're talking about -- no.

20          COMMITTEE MEMBER WASHINGTON: What about if there  
21 is 50? Would you request -- or 100, would you request  
22 payment?

23          MR. HOGYUE: My writing instructor used to tell  
24 me if a frog had wings, he wouldn't bump his ass on the  
25 ground every time he hopped.

1 I don't know. If 50 came in the door and they  
2 were sitting out there, we would recycle them.

3 CHAIRPERSON MARIN: Would you request payment?

4 MR. HOGYUE: What am I going to do? I'm going to  
5 go after who?

6 COMMITTEE MEMBER WASHINGTON: That's my point.  
7 That's what I want to know.

8 MR. HOGYUE: It's not a realistic problem. Right  
9 now, anybody can sell 50 monitors to anybody in the  
10 country. Jeff knows this quite -- I can give you the  
11 e-mail addresses of all the guys that will buy dead  
12 non-working monitors all day long.

13 COMMITTEE MEMBER WASHINGTON: We're trying to  
14 make a point here. The point is we're trying to figure  
15 out this whole agent process. You walked up handily  
16 saying you're glad you're not at the Roberts hearing.  
17 This is not a Roberts hearing.

18 MR. HOGYUE: Yes.

19 COMMITTEE MEMBER WASHINGTON: And what they're  
20 trying to do is figure out how to make this work, because  
21 our responsibility is to keep these things out of your  
22 landfills.

23 MR. HOGYUE: And I think you're doing a great job  
24 of it.

25 COMMITTEE MEMBER WASHINGTON: And you're saying

1 we do all this stuff, and we're good because what we do is  
2 get every name. And we get every log. But everybody  
3 doesn't have that capability, because somebody might get  
4 100 computers and don't know what to do with them. And it  
5 could be --

6 MR. HOGYUE: I don't think so.

7 COMMITTEE MEMBER WASHINGTON: It could be one of  
8 the facilities who is permitted. And that's what these  
9 folks are saying. If we are a permitted facility, that we  
10 should be an agent, and we shouldn't have to go through  
11 the process of trying to figure out where these 50 or 100  
12 computers come from.

13 MR. HOGYUE: I agree on two, five something.  
14 Mike at CR&R made a valid point. Even Dennis and Ron  
15 makes valid points about some of the load checks where you  
16 have two or three devices come off.

17 But again if the State attaches a number to how  
18 many devices are allowed as abandoned material, the point  
19 I made at the meeting last month -- I have two customers.  
20 They won't call me back because when they call me, they  
21 are -- basically what I said is they understand that I'm  
22 looking for California source documentation. I'm looking  
23 to abide by the law. They won't call me back. If you say  
24 we're going to allow ten devices, I can bring that whole  
25 trailer load of 200 devices into my facility and feed ten

1 devices into every claim every week, so it is a problem.

2 And Mike at CR&R or as somebody else mentioned  
3 about the small recyclers down somewhere where they did  
4 pick up material, you're going to have to make a judgment  
5 decision. But if you put it in legislation, you're going  
6 to see your abandoned material rates go through the roof.  
7 So I don't think you're having a problem with 50 or 100.  
8 Because if you wanted to, we can sell them. Everybody is.

9 CHAIRPERSON MARIN: You bring a very good point.  
10 That's one of the things I was thinking. For some of the  
11 bigger recyclers, I mean, getting rid of even 1,000 would  
12 be no problem because they just do it -- oh, don't worry.  
13 We'll just get our 10 percent or 3 percent at a time every  
14 time they submit it.

15 MR. HOGYUE: Fifty would hurt us, certainly. It  
16 would be a problem. But you are talking about five  
17 pallets of monitors -- three to five pallets of monitors  
18 depending upon the size. And I think the load checks at  
19 landfills are having -- I don't operate a landfill, so I  
20 don't want to act like an expert on landfills.

21 But I do work with municipalities. They have the  
22 government exemption. It's a great opportunity for them.  
23 They don't have to provide source documentation. The  
24 landfill we work with does actually take a name and  
25 address from everybody. Do they get everybody? I doubt

1 it. Probably have three, five, ten devices at the end of  
2 the month that are left at the landfill that don't have  
3 any source documentation. And a guy who is running the  
4 small landfill like Mike, I felt for him. Because he  
5 should be able to get paid for those two or three devices.  
6 I think it's a judgment call that the State has to make.  
7 But if you put it in writing --

8 CHAIRPERSON MARIN: Okay. Mr. Hogyue, unless you  
9 have any more questions for him. Okay.

10 COMMITTEE MEMBER PEACE: Mr. Hogyue, where is  
11 your facility located?

12 MR. HOGYUE: In Santa Clara. Right off of De La  
13 Cruz and Reed Street. It's kind of the old industrial  
14 area of Santa Clara near the San Jose Airport off of  
15 Lafayette.

16 COMMITTEE MEMBER PEACE: Thank you.

17 CHAIRPERSON MARIN: Thank you so much.

18 And the last one, but not the least one, George  
19 Eowan.

20 MR. EOWAN: Thank you, Madam Chair and members.

21 I'm not going to reiterate what everybody said in  
22 detail, but I do want to say that -- and I'm representing  
23 CRRC -- that we are very impressed with what the Board and  
24 staff has done. You've done an incredible job in such a  
25 short time. And I think what you're hearing is that, you

1 know, there's a few things that we have to clarify and  
2 work on, and that's really where we're at, and  
3 particularly on the agent area. I mean, that's what we  
4 thought was really the original intent and direction seems  
5 to have kind of gotten a little bit muddy, and we'd like  
6 to work on that with you as well as some of the other  
7 issues that both Chuck and Mr. Murray mentioned. So we're  
8 in agreement with what they're saying.

9 CHAIRPERSON MARIN: Okay. George, you've been  
10 very involved in all of these issues for a long, long  
11 time. Let me ask you this. What if the Board was to  
12 request of every city, name your agents, but we do it  
13 instead of having individual organizations trying to get  
14 that. Why couldn't we -- I'm thinking out loud here,  
15 okay, so I have no -- it may make sense. It may not.  
16 Tell us who your collectors will be.

17 MR. EOWAN: This is an off-the-cuff answer and  
18 not a legal one. And I would want to, you know, have some  
19 time with our counsel. But I guess our position would be  
20 even simpler than that. If you're a franchise or  
21 contracted solid waste services provider to a local  
22 entity, we believe you already are an agent. And that's  
23 our understanding of where this language was going  
24 originally. And so we would be comfortable if you could  
25 administratively or through emergency regs clarify that.

1 I think you would accomplish the same thing. Without  
2 having to, you know, do maybe a more serious fix on it.  
3 But I'm not saying that's a bad idea. I just think maybe  
4 there's a way to do it with a little less --

5 CHAIRPERSON MARIN: Well, it's interesting. I  
6 love this saying. It says trust but verify. We trust. I  
7 mean, the cities. We trust the major companies, the  
8 haulers. They have businesses interests here and so  
9 forth. I have a question of just blanketing that. I  
10 don't have a problem with the bigger units --

11 MR. HOGYUE: The rationale is that we're already  
12 doing the service of an agent, through load checking,  
13 through dumping at the site or whatever. It's already  
14 happening.

15 CHAIRPERSON MARIN: So now let me ask our staff.  
16 In the law, does the law request a manifest system? Does  
17 the law --

18 BRANCH MANAGER WILLD-WAGNER: This is not  
19 manifested waste because it's universal waste and  
20 therefore it is exempt from manifest. It is still  
21 universal waste.

22 CHAIRPERSON MARIN: The reasons why we came up  
23 with a manifest system or the log -- to me, the log and  
24 the manifest is the same thing.

25 BRANCH MANAGER WILLD-WAGNER: I'm saying no,

1 because in the Department of Toxic Substances Control  
2 language it's very different. A manifest has different  
3 responsibilities.

4 CHAIRPERSON MARIN: Well, not manifest.

5 BRANCH MANAGER WILLD-WAGNER: But logging in the  
6 regulations is where --

7 CHAIRPERSON MARIN: No. In the law. Does the  
8 law provide for any particular logging? Does it state  
9 where it has to come from? What does the law say? I  
10 don't recall.

11 BRANCH MANAGER WILLD-WAGNER: The SB 2050, it  
12 doesn't define California source. Those definitions are  
13 in regulations as well as our use of the term agent.

14 CHAIRPERSON MARIN: So the law is not clear. Bob  
15 was going to answer that.

16 STAFF COUNSEL CONHEIM: The law requires that the  
17 material be from a California source. We created in our  
18 regulation a mechanism to demonstrate that. And --

19 CHAIRPERSON MARIN: And so we are the ones that  
20 came up with this logging that needs to be provided with a  
21 name and address. This is something that we felt that's  
22 what will lead us to abide by the law.

23 SUPERVISOR HUNTS: Over the course of the past  
24 year through numerous workshops and discussions with  
25 stakeholders, I think it's better portrayed as we

1 collectively, not the Board, but participants in the  
2 system came up with the emergency regulations as adopted  
3 by the Board to document the sources of these materials.

4           These materials are handled -- historically being  
5 handled by a number of different interests, be they local  
6 governments providing service to residents, asset  
7 recovery, providing services to businesses throughout the  
8 United States, or haulers pulling them out of load check  
9 right before the working face of the landfill.

10           In the absence of better evidence or better  
11 suggestions, Program proposes the Board adopt regulations  
12 requiring name and address as a default source  
13 documentation standard. The regulations also provide  
14 those materials handled by an approved collector who is a  
15 local government or agent of a local government can come  
16 into the system and be perfectly eligible without the name  
17 and address.

18           Local governments who were one of the primary --  
19 intended to be one of the primary beneficiaries of the  
20 financial benefits of this law secured that through  
21 participation in the workshop. A lot of the material  
22 flows through California harvested from throughout the  
23 western United States with the last stop being California  
24 before it's loaded onto boats in our ports and shipped  
25 overseas. Where did that stuff come from? What

1 quantities? What increments? We don't know.

2 STAFF COUNSEL CONHEIM: We created a system with  
3 you that now had government reimbursing the costs where  
4 the costs before were borne by users. And the same  
5 businesses that are now being paid because they claim from  
6 us, we're having to charge their customers. Suddenly,  
7 there's a whole new funding flow in a reverse direction.  
8 And it encouraged or at least attracted, theoretically,  
9 material that needed to be verified as being from  
10 California and paid for by Californians. And so that is  
11 the reason why we put the system in place.

12 And we have the capacity to work with the  
13 advocates who have spoken here today and others in  
14 clarifying some of this. So we are going to look at this,  
15 and we are going to continue to dialogue with them. I  
16 would not recommend proposing or directing us to propose  
17 to eliminate the documentation system, and I don't think  
18 the advocates are asking us to do that either. They're  
19 asking for a number of things that are all in increments  
20 and fix, as we call them, tweaks. We call them e-tweaks  
21 to the system. So Jeff developed that.

22 CHAIRPERSON MARIN: It's all your fault.

23 MR. EOWAN: Madam Chair.

24 CHAIRPERSON MARIN: Go ahead, George.

25 MR. EOWAN: I would agree with Bob on that. In

1 thinking more about your question here, you know, I mean,  
2 if somehow you could direct that where it included, you  
3 know, the existing contract and franchise service provider  
4 for that jurisdiction, that's basically what we're asking  
5 for. So, however you -- and it's real easy to start going  
6 off into major tangents on this and saying, oh, no. We're  
7 going to see major influxes on this and that. I think  
8 we've already debated this through many workshops in terms  
9 of the local government side. And all we're saying is  
10 let's just make sure we recognize existing agents for  
11 those local governments. That's all. Thank you.

12 CHAIRPERSON MARIN: All right. Well,  
13 interestingly enough, we didn't have anyone that spoke  
14 here from the City's perspective. And I'm wondering why.

15 BRANCH MANAGER WILLD-WAGNER: I will tell you I  
16 spoke with Yvonne Hunter last week, and she was unable to  
17 be here this week. She's on vacation. Usually, we have  
18 at least some attendees at all of our workshops from local  
19 government. They were the ones that were very involved in  
20 getting the specific exemption in the regulations, where  
21 as the local government or agent of local government they  
22 did not have to take the name and address. So they were  
23 not be able here today. I'm sure they'll be interested  
24 and will continue to work with us on all of this. I don't  
25 know if you're ready for a wrap up from me at this point.

1           CHAIRPERSON MARIN: We're totally ready for a  
2 wrap up. I just want to make sure that what we do -- and  
3 this is a work in progress. So I hope everybody  
4 appreciates that we don't have all the answers for  
5 everything. This is new.

6           And when you're the pioneer, you're making roads  
7 and you don't know. There will be some bumps in the road,  
8 and there will be some deviations, but it's with the best  
9 intent possible. We will find a solution. It may not be  
10 the perfect solution, but we will find a solution together  
11 with all of the entities that have come and testified.  
12 But we're ready to move on.

13           COMMITTEE MEMBER WASHINGTON: I just wanted to  
14 comment, when Bob said that they would come up with a  
15 solution, while I have all the confidence in the world  
16 that Bob will come up with the answer, I don't want it to  
17 be perceived that this will be on a -- what's the word I'm  
18 looking for? Per case basis -- I can't get it out  
19 right.

20           STAFF COUNSEL CONHEIM: Case-by-case basis.

21           COMMITTEE MEMBER WASHINGTON: Because what  
22 happened is we would end up in more trouble -- and I know  
23 that wasn't your intent. I just want to make sure it's  
24 clear that at some point, because we're working under  
25 emergency regs, that this Board has to give some direction

1 as to how we want to proceed with this, and that it  
2 definitely has to come from the Board so it can be  
3 unequivocally clear as to what our intent was and what the  
4 intent was and people won't get this idea it is on a  
5 case-by-case basis.

6 STAFF COUNSEL CONHEIM: Mr. Washington, if I  
7 could comment, Madam Chair, just for a second.

8 I think we have to clarify the rule as it applies  
9 to everyone, and/or we have to develop as we are going to  
10 finalize in our regulations the rule as it applies to  
11 everyone. If we have a system that has no rule that is  
12 only case by case, that will cause a lot of mischief. So  
13 while there's always some discretion in the application of  
14 every rule, I want to make it clear I would not recommend  
15 creating a system that required a case by case triage of  
16 every claim, because I think it would -- number one, it  
17 would bog us down to a point when we'd never get anything  
18 done, and we would be open to challenge for applying a  
19 different rule in every case.

20 COMMITTEE MEMBER WASHINGTON: Thank you, Bob.  
21 Appreciate that.

22 CHAIRPERSON MARIN: Okay. Shirley, wrap it up.

23 BRANCH MANAGER WILLD-WAGNER: A couple quick  
24 words. I don't have any formal wrap-up here. I want to  
25 thank all the stakeholders for coming, because it's

1 through working with them we're going to get to these  
2 answers. And they have been very helpful in coming up  
3 with some ideas.

4 I think we're very close to being able to answer  
5 some of these concerns. We definitely always intended to  
6 include illegal abandoned waste, load checks, and Good  
7 Will drop-off. Of course, those things need to be brought  
8 into our payment system, and we need to find a way to do  
9 that without opening it up to the whole world. We need to  
10 redefine agent. It should be the designee, not the  
11 capital A agent. I think we're close to agreement on  
12 that. I don't think that's going to be a problem.

13 Our goal is to come back to you in October with  
14 some specific wording that we've described to you the  
15 options. Whether we do it administratively or whether we  
16 want to propose emergency regulations, we'll continue to  
17 work on that answer. And we'll come back to you in  
18 October with some proposals for your consideration.

19 CHAIRPERSON MARIN: I like the word designee a  
20 lot. I really, really like that. I don't think they will  
21 have the heart attack -- the cities won't have the heart  
22 attack they would if they had agent as the designee for  
23 e-waste.

24 STAFF COUNSEL CONHEIM: And Madam Chair and  
25 members and I want to meet with some of the advocates who

1 discussed the concept of an automatic consideration of a  
2 designation. I need to understand more how that works in  
3 the real world and what franchises look like. So we've  
4 been in discussion with our advocates, and we appreciate  
5 the value of their forceful advocacy before you.

6 CHAIRPERSON MARIN: Thank you, Shirley. Thank  
7 you, Jeff. Thank you, everybody.

8 You know, there is no doubt in my mind that we  
9 will find a just and objective resolution to all of these  
10 issues. There is no question in my mind. I just want to  
11 make sure we also include Yvonne again on these items.

12 Piper, would you be so kind to answer the  
13 questions that Ms. Peace had suggested?

14 MS. MIGUELGORRY: Yes. Thank you, Madam Chair.  
15 This is Piper Miguelgorry, WRAP Program Coordinator.

16 And the first question I wanted to respond to was  
17 the unique programs that the Safeway, Incorporated,  
18 organization has in place. Shall I go ahead?

19 First of all, it's important to note there are  
20 211,000 employees within this organization. And for this  
21 agenda item, we are, in fact, discussing 557 stores  
22 statewide. It's important to know they are covering a  
23 multitude of counties. And they have diverted over 211  
24 tons of solid waste. Unfortunately, their cost savings  
25 right now is proprietary information.

1           Some of the programs that Safeway currently has  
2 in place is they have a corporate wide composting program.  
3 A portion of their composting is actually bagged and  
4 resold in the Vons stores. They have a multitude of  
5 grocery bags, plastic bags, cardboard that are all made of  
6 recycled content. Their packaging policies they have in  
7 place is that customers may return paper and plastic bags  
8 for reuse. I know that's of particular interest to Board  
9 Member Peace. And that wholesalers may also return  
10 plastic milk jugs for recycling. Their diverted waste  
11 includes cardboard, 280 tons; organic materials, 779 tons;  
12 plastic and film bags, 7300 tons; paper, bone, and fat  
13 with the total diversion of over 210,000 tons.

14           They have a very aggressive food waste management  
15 program. In particular, they donate over \$50 million  
16 worth of food to food banks. Part of that program is over  
17 1100 bread and dough donations to the food banks. And  
18 they also use a filler that they provide for their  
19 livestock feed for a cattle ranch and a pig ranch. They  
20 donate furniture to nonprofit organizations. And I think  
21 one really cool thing is they have electric powered trucks  
22 for their home delivery service.

23           So it looks as if they've managed to tap into a  
24 multitude of waste reduction practices. And that's, in a  
25 nutshell, some of the reasons that we've chosen them as a

1 potential WRAP of the Year candidate.

2 CHAIRPERSON MARIN: Thank you.

3 COMMITTEE MEMBER PEACE: Thank you. And the  
4 other four, could you give us -- is there one thing that  
5 really stood out that made them special?

6 MS. MIGUELGORRY: Sure. Agilent Technologies,  
7 which is a Sonoma County operation, we're talking about  
8 Santa Rosa and Rohnert Park facilities. They have two.  
9 They are a leading manufacturer of high performance test  
10 and measurement equipment. And they are ISO 14001  
11 environmental management system standard organization.  
12 That's, I think, critical to know.

13 Another thing I feel is really a leader in their  
14 industry is they have a program called First Time to Work  
15 Program for developmentally challenged adults. They  
16 incorporate them into their recycling centers and so  
17 forth. They have diverted over 994 tons of solid waste  
18 material, with a savings of over \$138,000.

19 Second one, Byers' LeafGuard Gutter Systems is  
20 located in Grass Valley, Nevada County. And they actually  
21 take their scrap metal products, their gutter work, and  
22 they remanufacture it. They gather it from homes, and  
23 they actually remanufacture it into more metal products.  
24 They also have a large diversion for their kind of  
25 business. And I meant to indicate the number of

1 employees. Byers' has 18 employees.

2           So not only do we have representation of the  
3 large business, we also have the small business entities  
4 that we've covered. And they use postconsumer recycled  
5 paper. In fact, all five of these businesses either have  
6 a recycled content product procurement policy and/or they,  
7 of course, use recycled products in their purchasing and  
8 selling in their office operations, and if they have  
9 products they actually manufacture.

10           And then moving on to Trinchero Family Estates  
11 located in Saint Helena. They actually have six  
12 facilities in the Amador, Napa, and San Joaquin Counties.  
13 And they are, of course, a wine company. They ultimately  
14 reuse over 50 million gallons of wastewater and compost  
15 24,000 tons of pumas and an addition 1,000 tons of  
16 diatomaceous earth.

17           They have upgraded their bottling lines to  
18 incorporate over 50 percent cullet, which is recycled  
19 glass materials, to remanufacture their wine bottles.  
20 They've won, by the way, five years in a row the WRAP  
21 awards. They diverted over 25,000 tons of solid waste  
22 materials, and they've saved over \$750,000.

23           Last, but not least, Walsers, which is a very  
24 small business, family-owned business that has been  
25 diverting waste and won our award for over six years.

1 They actually have only ten employees. And they are  
2 located in Torrance, Los Angeles County. One of the  
3 things they are most successful in is the recycling of  
4 their cardboard.

5 They have a multitude of programs that they  
6 implement working primarily with their customers. They  
7 offer free products within their organization so that no  
8 product goes to waste. They actually have a take-out  
9 program where people can come in and retrieve materials  
10 they consider old or not as popular as some others. And  
11 they encourage their employees to bring in items to  
12 contribute to their programs.

13 So we've got quite a few things going on here. A  
14 quick synopsis, we'll give you a highlight. But I'll be  
15 happy to retrieve more information if you'd like. I must  
16 say they also are successful in diverting nine tons of  
17 materials and saving \$3,000.

18 CHAIRPERSON MARIN: So we have a gamut.

19 MS. MIGUELGORRY: We have a gamut, yes, we do.

20 COMMITTEE MEMBER PEACE: They all -- they can be  
21 good to the environment and also good to their pocketbook  
22 at the same time.

23 MS. MIGUELGORRY: Absolutely. And we like to tap  
24 into not only the statewide cities and counties, but we  
25 also like to see the small businesses as well as large

1 businesses doing their part.

2 CHAIRPERSON MARIN: Thank you. I really  
3 appreciate it.

4 COMMITTEE MEMBER WASHINGTON: I'd like to move  
5 adoption of Resolution 2005-272.

6 CHAIRPERSON MARIN: Is there a second?

7 COMMITTEE MEMBER PEACE: Second.

8 CHAIRPERSON MARIN: Moved and seconded. Without  
9 objection, we will call the roll.

10 MS. MIGUELGORRY: There's two Resolutions.

11 COMMITTEE MEMBER PEACE: I'd like to move  
12 Resolution 2005-271 Revised.

13 COMMITTEE MEMBER WASHINGTON: Second.

14 CHAIRPERSON MARIN: Okay. Go ahead.

15 EXECUTIVE ASSISTANT BAKULICH: Peace?

16 COMMITTEE MEMBER PEACE: Aye.

17 EXECUTIVE ASSISTANT BAKULICH: Washington?

18 COMMITTEE MEMBER WASHINGTON: Aye.

19 EXECUTIVE ASSISTANT BAKULICH: Marin?

20 CHAIRPERSON MARIN: Aye.

21 Okay. That was for the first motion, and then we  
22 will substitute the previous roll call on consent.

23 We have one last item.

24 BRANCH MANAGER FRIEDMAN: That's correct.

25 CHAIRPERSON MARIN: Item Number 38.

1           BRANCH MANAGER FRIEDMAN: That's correct, Madam  
2 Chair. Item 38 is Oral Presentation which is an Update on  
3 RecycleStore Activities. And Steve Boyd will introduce  
4 the contractor who will make the presentation.

5           (Thereupon an overhead presentation was  
6 presented as follows.)

7           MR. BOYD: Good afternoon, Madam Chair, Committee  
8 members. I'm Steve Boyd. I'm the Task Manager of the  
9 RecycleStore project. And in the interest of time, I do  
10 have a prepared overview here and recap of RecycleStore.  
11 If you would like, we can just go ahead and go directly to  
12 our presenter. He's flown in from Los Angeles and is on a  
13 time commitment himself.

14          CHAIRPERSON MARIN: Okay. Who is the person that  
15 is going to speak?

16          MR. BOYD: I am going to just very briefly tell  
17 you a little bit about him. Our speaker is Burnet Brown.  
18 And it's fun to speculate how, and more importantly why,  
19 one person might possess the unique experiences of serving  
20 as an advisor to a California Energy Commissioner,  
21 backpacking the 2,600 mile length of the Pacific Crest  
22 Trail solo, and spending a year at the frozen South Pole.

23          In addition, Mr. Brown has developed and managed  
24 marketing initiatives with Fortune 500 companies such as  
25 3M, Saturn, Reeboks, QVC, and even Pepsi-Cola. In the

1 environmental area, he has worked in Washington, D.C. with  
2 Booze, Allen, and Hamilton as a consultant to the U.S.  
3 EPA, the Energy Research and Development Administration,  
4 and the Department of Energy. With A National Marketplace  
5 for the Environment, he worked with the Federal General  
6 Services Administration developing and implementing the  
7 planning GSA Green Procurement Program.

8           Mr. Brown of Making Ideas Happen totally exceeded  
9 our contract deliverables and expectations. He taught us  
10 a lot about strategic marketing and the difference between  
11 promotion and marketing effectively. His work resulted in  
12 a number of success stories for some of our pilot project  
13 businesses. And with that, I'd like to bring Mr Burnet to  
14 the podium.

15           CHAIRPERSON MARIN: Okay, Mr. Burnet. Just think  
16 of it as going high solo on that mountain high -- what one  
17 was it?

18           MR. BROWN: The Pacific Crest Trail. I will,  
19 thank you.

20           I want to go on record saying what a pleasure  
21 it's been working with Patty Wohl and her staff in the  
22 Market Development Division. And for that matter, all the  
23 folks I've worked with at the Integrated Waste Management  
24 Board. And so my hats off to you for managing such a fine  
25 organization.

1           CHAIRPERSON MARIN: Thank you.

2                               --o0o--

3           MR. BROWN: I also want to say what a great  
4 opportunity it has been for me to work with all of these  
5 entrepreneurs, these companies, their companies that aim  
6 higher than the bottom line. And having seen the full  
7 breath of the marketplace, it's a great inspiration. And  
8 I know you've seen that as well. And so that's another  
9 great thing that came out of this 18-month contract.

10           What we'll cover -- and, again, we're going to go  
11 through this out of respect for your long day. I have new  
12 admiration for public service. In any event, we're going  
13 to start out with outcomes and measures. That was very  
14 clearly a rigorous part of the contract. We're going to  
15 talk about the implications for waste diversion of  
16 RecycleStore, support for local government efforts. What  
17 does RecycleStore mean for local government efforts? And  
18 then we're going to show you the results, the aggregate  
19 results, and then results disaggregated by RecycleStore  
20 manufacturers in their local areas, as well as I'll kind  
21 of walk through the program strategy and elements. And  
22 then finally the findings and recommendations.

23                               --o0o--

24           MR. BROWN: Again, they wanted this to be a  
25 quantifiable results driven program, so they set very

1 clear measures. One was to increase RecycleStore traffic  
2 measured in hits. A second was to deliver quality buyer  
3 referrals. And we measured these through buyer  
4 click-throughs and e-mails to manufacturers. Finally,  
5 this was very impressive when I saw this. You know,  
6 having worked at a wide variety of government levels, to  
7 see the breath of actually targeting retail mass  
8 merchandise buyers as well as individual consumers and  
9 government buyers. So those were the priority target  
10 buyers. And this is essentially what, you know, drove how  
11 this strategy was implemented.

12 --o0o--

13 MR. BROWN: What RecycleStore does, it attracts  
14 buyer referrals from all over the U.S. and delivers them  
15 to California manufacturers in participating local RMDZs.  
16 And I must say that's a very innovative program doing both  
17 that and then accelerating market penetration of  
18 California recycle products and beyond California borders.  
19 Most of the states I've seen really focus within their  
20 state borders. And I think this slide shows what  
21 implications for waste diversion --

22 --o0o--

23 MR. BROWN: -- and that is dramatically increases  
24 potential opportunities for diverting waste. I mean, this  
25 is a much larger area moving you beyond the borders of the

1 state of California. And so all of those are  
2 opportunities for waste diversion. That is basically a  
3 picture of a typical day of Internet traffic.

4 --o0o--

5 MR. BROWN: We have, how does it help local  
6 governments? And this is something I want to walk  
7 through. It enables the Waste Management Board to support  
8 local governments by stimulating demand for products made  
9 in their area. I listened with great interest today as  
10 you walked through and had local communities talk about a  
11 lot of their problems. And, of course, one of the  
12 solutions is, of course, increased demand. And I must say  
13 I was impressed with how you tenaciously made the case for  
14 a green procurement and buy recycle. I think there's  
15 enormous potential there and a key opportunity for  
16 RecycleStore there.

17 Going to support local governments, you're also  
18 providing a technical assistance. Search engine  
19 optimization is a very complex area. There was just a  
20 piece in Business Week about how a number of smaller  
21 companies have surpassed Fortune 500 companies because  
22 Fortune 500 companies have not mastered this. And as a  
23 result, these smaller companies are outperforming in  
24 e-commerce the larger companies.

25 Thirdly, there we're talking about you will be

1 able to bring to the table free marketing assistance. We  
2 wrote draft press relieves tailored to local communities  
3 about these entrepreneurs as well as creating  
4 partnerships, which I'm going to discuss a little bit  
5 later.

6 And, finally, good news, channeling sales  
7 revenues into their markets. And along with that,  
8 generating positive publicity by saluting the achievements  
9 of these green entrepreneurs. So that's quite a package  
10 to go in to assist these local governments, local  
11 communities.

12 --o0o--

13 MR. BROWN: Now, local impact, this basically  
14 summarizes the top ten companies and what kind of impact.  
15 This does not include all the 60-so companies. But you  
16 can see that one company in Oakland, Berkeley, 5,700 buyer  
17 referrals. And in the top ten accounted for 22,000 buyer  
18 referrals that this program that you developed delivered  
19 to stimulate demand for recycled content products. Again,  
20 coming from the private sector, I would dearly love to  
21 have this kind of assistance.

22 --o0o--

23 MR. BROWN: The program results quantified. This  
24 is an 18-month program. You can see on the left -- just  
25 show you the chart in the background, which we'll see a

1 little bit clearer later, is where we started. And at the  
2 end of the contract period, we had a 241 percent increase  
3 in traffic over the baseline. So we went from 10,000 hits  
4 per month to 35,000 and averaging about 22,000. We are on  
5 track -- or you are on track, rather, by April of this  
6 year to pass the one million mark. So an occasion worth  
7 noting.

8 We generated during that time 400,000 hits, which  
9 is about 60 percent of the site's total recorded hits. So  
10 there was quite -- as you can see, quite a growth there.  
11 And two records were set. The new record high was 36,000  
12 hits in a single month. And more important, of course,  
13 than the hits were the buyer referrals, and those were  
14 about 15,000 during the contract period. And then first  
15 time expansion into mainstream markets.

16 As you know, many of these companies have  
17 focused -- RecycleStore in the past has focused on the  
18 green buyer. We moved into mainstream markets no longer  
19 limiting to nitch markets. So we went from RecycleStore  
20 to arts and craft furniture, recycled trash bins to  
21 lockable security documents containers. And I'll go into  
22 that in a moment.

23 --o0o--

24 MR. BROWN: But the question -- this is, you  
25 know, why mainstream? And it's graphically presented

1 here. This is four groups of products. And the reason  
2 why mainstream is because mainstream buyers are not buying  
3 recycled gifts or recycled furniture. You can see in that  
4 second column recycled gifts in one month is about 175 per  
5 month. Whereas, people that are searching for the gifts  
6 you're talking about half a million. Gift baskets,  
7 another half a million searching for those. So in  
8 implementing this strategy, one of the things that we did  
9 was to begin to access that market. Obviously, there are  
10 much greater opportunities for waste diversion in that  
11 respect.

12           So there you have that same is true with  
13 furniture. We had 306 folks search for recycled  
14 furniture. Almost a million people search furniture;  
15 221,000 search for office furniture. Interestingly  
16 enough, I noted more people searched for used furniture  
17 than they do search for recycled furniture. That's sort  
18 of a summary of what, you know, Jim Collins would call the  
19 brutal facts. This is, in the minds of mainstream  
20 consumers, that's where they are in terms of buying  
21 recycled product contents. And that's the challenge that  
22 we face.

23                               --o0o--

24           MR. BROWN: So this is the results over the  
25 18-month period. You can see we have a big spike in the

1 Earth Day campaign.

2 --o0o--

3 MR. BROWN: And I'm going to move in the spirit  
4 of moving forward.

5 --o0o--

6 MR. BROWN: These are a couple of companies I was  
7 going to showcase. But when you meet with local  
8 governments and you're asked and they present challenges  
9 they face and, you know, they look to you for assistance,  
10 here's a case where we had -- this company in the Bay  
11 Area, number one beneficiary of RecycleStore buyer  
12 referrals. In 2001, RecycleStore delivered six buyer  
13 referrals. In 2004, almost 1500 buyer referrals.

14 --o0o--

15 MR. BROWN: Similar case with a company,  
16 Plastopan, \$3 million company based in Los Angeles. They  
17 have 30 products. You can see their products. They have  
18 done something what I think is very smart. They are now  
19 competing with companies not just on the recycle aspect of  
20 it, but also in the areas of quality, service, and  
21 innovation. They have tracked this whole trend towards  
22 security and understanding there is a liability now  
23 associated -- or companies are liable for the threat of  
24 documents in their possession. They are the only makers  
25 of this differentiated lockable container in the country.

1 --o0o--

2 MR. BROWN: And it's very impressive how they  
3 have succeeded in marketing their product beyond their  
4 original recycle content focus, which has been critical to  
5 their success and something we want to do with other  
6 companies, and which this key word search has enabled us  
7 to do. So you can see again here is another example of a  
8 company, 2001, we had 30 buyer referrals, and we had a  
9 3,000 percent increase in that in terms of delivering  
10 buyers to their site.

11 CHAIRPERSON MARIN: She wants to ask you a  
12 question.

13 COMMITTEE MEMBER PEACE: Maybe you haven't come  
14 to it yet. You can see where the hits and referrals are  
15 way up. Do you have any idea what percentage of their  
16 sales increase is attributed that's coming --

17 MR. BROWN: That's a very good question. And  
18 we're going to look at sales and revenues as issues.  
19 Thank you for asking that.

20 So that's fundamentally the question. Yes, we  
21 have all these --

22 --o0o--

23 MR. BROWN: -- buyer referrals, but what does it  
24 mean? Does it really mean anything? We have one company  
25 this is a company out of Glenn County. They make anchors,

1 basically float tube anchors out of recycled zinc. And  
2 here he's saying he has received revenues from the state  
3 of Texas and also from the state of Alaska. And we  
4 continue to get that. So we are making out-of-state  
5 sales, in-state sales, and to your point, real sales.

6 --o0o--

7 MR. BROWN: Last year, RecycleStore generated  
8 over \$9,000 in sales for recycled content. This is a  
9 company in the Shasta metro RMDZ. Sales is a critical  
10 issue. Unfortunately, you know, you cannot coerce  
11 companies to provide the sales information. But the buyer  
12 referrals do a very, very good job. And I think this --

13 --o0o--

14 MR. BROWN: Yes. As decision makers, you want to  
15 look at your -- one of the things you're entrusted to do  
16 is look at how these programs, whether they're good cost  
17 effective results. You can see on the left this is a  
18 paper click figure comparing to direct mail. For direct  
19 mail for \$10, one lead -- and as you know by all the junk  
20 mail you get in your mailbox, you know, they get a 2  
21 percent rate, they're happy. It's one of the few things  
22 I've ever seen where people are happy with an 98 percent  
23 failure rate.

24 So the difference with the Internet, of course,  
25 is that you are proactively seeking this information. And

1 if you optimize your site for these key words, then you're  
2 going to get a much higher quality buyer referral. They  
3 want your product. They entered the information. They've  
4 gone to your website. And so, you know, that's a very,  
5 very important asset there that you're offering.

6 --o0o--

7 MR. BROWN: So this was a strategy. One was to  
8 mainstream recycled content products. And I'm going to go  
9 into this in a little more detail. Reposition them as  
10 high value added products, continue to grow your affinity  
11 markets, which are the traditional markets of people that  
12 are interested in sustainable products. We adopted a  
13 category by category phased approach, which I'll talk  
14 about.

15 Effectively, there are 14 product categories. We  
16 started out with gifts. Certainly, there will be green  
17 building products as another category, green furniture  
18 products, and so forth.

19 A really key component of the strategy was to  
20 create partnerships with organizations to leverage the  
21 assets and the networks with these various other  
22 organizations, particularly what we focus on was specialty  
23 retail buyers, mass merchandise buyers, and government  
24 buyers. And then we also have a celebrity endorsement  
25 component and a PR campaign. And, of course, search

1 engine optimization, which is probably the most critical  
2 in terms of self-sustaining traffic to your site without  
3 repeatedly making large investments.

4 --o0o--

5 MR. BROWN: So this is what we talk about, the  
6 strategy of re-positioning. You can see high quality,  
7 high value added. As I dealt with buyers, whether QVC or  
8 Wal-Mart or whatever, there still continues to be the  
9 perception of recycled product as a commodity. So this is  
10 one of the things that doesn't seem to be a great  
11 awareness of some of the caliber of these products and  
12 very, very high quality products.

13 --o0o--

14 MR. BROWN: Celebrity endorsement, this is the  
15 partnership we put together with the Environmental Media  
16 Association, which was at no cost whatsoever to the  
17 project or the State of California. This is a terrific  
18 organization that works with celebrities to promote  
19 awareness of environmental problems.

20 This is Mimi Kennedy, "I went to the RecycleStore  
21 website thinking I'd be looking at good intention and  
22 found gorgeous artistic products," which precisely  
23 embodies the problem that we face with buyers of recycled  
24 products, this perception they are not high quality  
25 products. And that was the experience she had. She had

1 expectations of good intentions, and she found great  
2 products. So you can be very proud of your entrepreneurs  
3 in that regard. If you're not familiar with her, she  
4 played in Erin Brockovich, a character in there, and she  
5 was also Abby Finkelstein in Dharma and Gregg. So she did  
6 a real terrific job and gave us quotes which we used in  
7 our work.

8 --o0o--

9 MR. BROWN: These are some of the articles, some  
10 of the news media that picked up articles about  
11 RecycleStore. Interestingly enough, the one that appeared  
12 in the Sacramento Bee was picked up by the Miami Herald.

13 --o0o--

14 MR. BROWN: So this component, partnerships  
15 created. This is probably one of the most valuable  
16 things. In terms of speaking to Board Member Peace's  
17 question, and that is closing sales. We put together a  
18 partnership with NMOA, the National Mail Order  
19 Association. They have buyers who are QVC, Home Shopping  
20 Network, infomercials, online catalogs, and wholesale  
21 buyers that go to them that look for product.

22 And they are critical because they aren't  
23 familiar with recycled products. They certainly aren't  
24 familiar with the caliber. And this organization went  
25 ahead and built a portal on their website showcasing

1 RecycleStore, sending out e-mails to their buyers, and  
2 channeling that buyer traffic directly to your site. So  
3 that's a very, very high quality buyer.

4 Government buyers, I was involved with some work  
5 implementing the Executive Orders 12873, 13101. And so  
6 I'm very familiar with some of the challenges you face.  
7 And I'm not sure if that was around when you were at the  
8 Treasury, but anyway, it's still around. And that is one  
9 of the areas that we were going to work with. We did put  
10 together a partnership with Air Force Center for  
11 Environmental Excellence.

12 The problem we ran into was Recycle Store  
13 companies -- and I hope you do address this issue -- I  
14 think a lot of companies in California are not EPA product  
15 designated. They don't even enter the shopping list, and  
16 that's what federal government buyers use. They use it in  
17 their databases. And once you get into a GSA database,  
18 you will fly. But that's a hurdle that I think needs to  
19 be addressed and does appear in my recommendations.

20 So another partnership we created was product  
21 placement. I'm sure you're all familiar with the stories  
22 of how these products appear on TV. Reeses Pieces went  
23 through roof with the great Spielberg movie there, ET.  
24 The Environmental Media Association, which I discussed  
25 earlier. The Green Restaurant Association, which

1 obviously has buyers there as well is of value to us.

2           What remains to be done? This is the final  
3 slide. We need to complete the search engine optimization  
4 for the remaining RecycleStore businesses. This is a  
5 terrific competitive advantage. We're on this arc of the  
6 learning curve where there are many companies, as I said,  
7 including many Fortune 500 companies who are not  
8 capitalizing on the opportunities offered by this and the  
9 criteria that Google and a lot these other search engines  
10 use. There are ways that you can use search engine  
11 optimization to get the higher page ranking.

12           And, secondly, in terms of working with -- we  
13 need to create some portal pages to meet professional  
14 buyer requirements in terms of volume. When you have a  
15 buyer from the government, a buyer from Wal-Mart come to  
16 these sites, they have high expectations, and they can  
17 easily shop elsewhere. So they have volume requirements.  
18 And so that's another recommendation that I would make  
19 continues to be done.

20           We need to move beyonds the gift, the  
21 greengifts.com, to building and green furniture and the  
22 full horizon of products. And then as I mentioned  
23 earlier, qualify RecycleStore companies for EPA product  
24 designation.

25           The full list is in this report. And at this

1 final hour of the day, thank you for giving me the  
2 opportunity to work with all these fine people and this  
3 fine company. And congratulations to you. Any questions?

4 CHAIRPERSON MARIN: We probably have a few.  
5 Thank you, Mr. Brown, for being here. We really  
6 appreciate all your hard work.

7 I just have one quick question. What was the  
8 last time that the web page was updated?

9 MR. BROWN: The last time the web page was  
10 updated?

11 MR. BOYD: Are you talking about the home page or  
12 product pages? We add products to it all the time. We've  
13 had some other priorities, and there hasn't been anything  
14 in the last few weeks. But the home page, we've added new  
15 categories several months ago.

16 BRANCH MANAGER FRIEDMAN: Madam Chair, are we  
17 talking about the RecycleStore page itself?

18 CHAIRPERSON MARIN: Yeah.

19 MR. BOYD: Mr. Brown's contract ended in  
20 December, so we haven't been doing a lot of activity in  
21 the recent months.

22 CHAIRPERSON MARIN: Okay. Because I think the  
23 last date that it shows in all the pages is 2004, August  
24 19th, 2004. So I'm wondering if it was just --

25 MR. BOYD: That would have to be the home page.

1 There's product pages added all the time.

2 MR. BROWN: Just as a point along that, that was  
3 not part of the contract, to look at web design, although  
4 we did make some recommendations. I think that's an area  
5 that could use some work. And we actually did create one  
6 for greengiftworks.com along that line. And the idea was  
7 to roll those out for the various areas. And the reason,  
8 again, is because, you know, Wal-Mart doesn't have a  
9 recycle product buyer, per se. QVC doesn't have -- they  
10 have a gardening buyer. They have a furniture buyer.  
11 That's how buyers buy their products. And they have, you  
12 know, the feedback that we got was that that was an area  
13 that needed to be addressed.

14 CHAIRPERSON MARIN: So where are we with this  
15 particular item? I know it was just an update of what it  
16 was, but the contract already ran out. And so what's the  
17 next step, or where are we on that?

18 BRANCH MANAGER FRIEDMAN: Well, I think John  
19 Smith is going to answer that question.

20 BRANCH MANAGER SMITH: What this presentation was  
21 today was to summarize the work of that contract. We are  
22 looking to, the Board willing, expanding the project with  
23 a contract concept that's coming before you in September.  
24 We'll be doing some similar things.

25 CHAIRPERSON MARIN: So this is done with.

1           BRANCH MANAGER SMITH: That part is done.

2           CHAIRPERSON MARIN: But there are no updates to  
3 the -- is somebody managing that internally?

4           BRANCH MANAGER SMITH: Right. Yes. We do it, as  
5 Steve said, on a regular basis we add product.

6           CHAIRPERSON MARIN: But we do that?

7           BRANCH MANAGER SMITH: Right. In terms of the  
8 very sophisticated work, we're finding the very best way  
9 to get our customers to our site, that was the work of  
10 that contractor and the next contractor, whoever that  
11 might be.

12          CHAIRPERSON MARIN: Okay. All right. Well,  
13 thank you for your work. Thank you for everybody's  
14 involvement. This is very, very interesting.

15          Questions? Mr. Washington first.

16          COMMITTEE MEMBER WASHINGTON: Not so much, Madam  
17 Chair, questions. I just want to thank the staff for  
18 bringing -- when I first came to this Board, I had the  
19 opportunity to see the minimum product they were  
20 producing. And now to see it has grown to the point it is  
21 at this point, and I certainly believe in the years to  
22 come, this will certainly be a huge store for people to  
23 shop out of and to buy their products. And, again, from  
24 what I saw when I first came to this Board to now, you  
25 guys have done a great job. And I want to thank staff for

1 putting this store together for us.

2           BRANCH MANAGER SMITH: This was the brain child  
3 of Steve Boyd. He saw his businesses in the rural area  
4 were barely surviving. So he persuaded us to use this as  
5 a pilot tool. It was so successful we've now expanded it  
6 to all our zones and, actually, we'd like all the products  
7 of our manufacturers, those producing finished products  
8 included in there. Mr. Steve Boyd is the one who really  
9 deserves the credit.

10           CHAIRPERSON MARIN: Well, consider this a  
11 standing ovation, Mr. Boyd. None of us are standing, but  
12 just consider it.

13           COMMITTEE MEMBER PEACE: I think just getting the  
14 recycled product out of the recycle category and into the  
15 mainstream categories is huge. We should be looking at,  
16 really, all those recycled products as just good products,  
17 not necessarily recycled products. That's what people are  
18 looking for.

19           As far as this goes, the RecycleStore only  
20 features products produced in an RMDZ?

21           BRANCH MANAGER FRIEDMAN: That's correct.

22           COMMITTEE MEMBER PEACE: So even if we had, say,  
23 grants that we've given to tire producers to make recycled  
24 products out of tires, they wouldn't be --

25           BRANCH MANAGER SMITH: Unless they're in an RMDZ.

1 There are a number of tire companies in RMDZs?

2 COMMITTEE MEMBER PEACE: Did I hear you say you  
3 want to expand this some day to include all recycled  
4 products, or will this only just be for products that come  
5 out of an RMDZ.

6 BRANCH MANAGER FRIEDMAN: I believe John  
7 mentioned we would like to expand it to all the products  
8 that come out of the RMDZs, because it doesn't currently  
9 include that. So it needs to be expanded at a minimum to  
10 include all the products that come out of RMDZs as a way  
11 to, you know, drive the market pull for those products  
12 which increases diversion.

13 CHAIRPERSON MARIN: I know that there's going to  
14 be an Item 42 that will deal with some of the market  
15 concepts that will include with a portion of this.

16 BRANCH MANAGER FRIEDMAN: That's correct. That's  
17 next week.

18 CHAIRPERSON MARIN: Now, what are we going to do  
19 with the set of recommendations? Let's just say that for  
20 whatever reason we don't allocate another grant, but there  
21 is work to be done, for example, trying to get the  
22 designation from EPA. Could we do that? Have we thought  
23 about that?

24 BRANCH MANAGER SMITH: What we have to do if we  
25 don't get the next contract is we prioritize those things

1 based on the resources we had and start with the top  
2 priority and go down that list with staff resources.

3 CHAIRPERSON MARIN: All right. Okay. Any  
4 further questions? Comments?

5 BRANCH MANAGER FRIEDMAN: Madam Chair, I just  
6 want to clarify that this presentation was for the  
7 Committee only.

8 CHAIRPERSON MARIN: Yeah. There won't be another  
9 presentation at the Board. There will be one item that  
10 will be recommended for this.

11 Okay. That's it. Nobody else wants to address  
12 the Board on any urgent matters? No. The committee.

13 Well, at 3:50, a very short meeting of the  
14 Sustainability and Market Committee -- this Committee  
15 ends. I'm tired. Whatever the Committee is. Thank you.  
16 We'll see you all next month.

17 (Thereupon the California Integrated Waste  
18 Management Board, Sustainability and Market  
19 Development Committee Adjourned at 3:52 p.m.)

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2 I, TIFFANY C. KRAFT, a Certified Shorthand  
3 Reporter of the State of California, and Registered  
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5 That I am a disinterested person herein; that the  
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10 I further certify that I am not of counsel or  
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12 way interested in the outcome of said hearing.

13 IN WITNESS WHEREOF, I have hereunto set my hand  
14 this 26th day September, 2005.

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